

Specialist Insurance for EEF Members

Employment Practices Liability



An EEF Advantage

RKH
Insurance
Services

EMPLOYMENT PRACTICES LIABILITY

R K Harrison Insurance Services Ltd has been working with EEF since 2007 and the development of EEF Insurance has been well received by many members. In that time, the feedback we have received from members has demonstrated that EEF is highly regarded for providing a comprehensive HR and Legal service, in addition to the other services members receive. Sometimes though, disputes can still occur and whether a dispute is settled at a tribunal or “out of court”, it can still result in significant compensation costs to the business.

To protect against these unforeseen expenses, many companies will take out a specific Legal Expenses policy. However, in our view, these policies have two principal drawbacks:

Firstly, traditional legal expenses policy wordings may contain quite onerous conditions which can make it difficult to submit a valid claim. For instance, there may be a specific requirement that the insurer’s legal advice line is contacted as soon as a potential employment issue arises and that all instructions provided by the insurer are followed from that point on. A failure to either contact the advice line from the outset or to follow all instructions may mean that a claim is disallowed.

Secondly, these products can be inflexible, and as far as EEF members are concerned, may generally not be suitable as they will not allow the member to deal with EEF for HR advice when a claim or potential issue arises.

EEF has an excellent track record of successfully representing members and defending employment claims and, of course, this high quality service is a core membership benefit. However, the reality is that even with EEF by your side, disputes do arise.

Feedback has shown that many members would like to have the option of protecting themselves against the financial uncertainty of an employment dispute. Members would also like this protection without having to sacrifice EEF’s HR support as long as the cover provided is appropriate, competitive and flexible enough to enable pragmatic HR decisions to be made.

“Designing this EPL product around our existing HR services means that members can receive a comprehensive solution at a time when it’s needed most.

It’s a great move forward in our insurance offering to work with R K Harrison and Travelers in this way and will give our members further peace of mind that we are committed to serving them with all round HR and tribunal solutions”

Kathy Riley, Head of Partnerships
EEF, the manufacturers’ organisation

A NEW SOLUTION – EXCLUSIVELY FOR EEF MEMBERS

The close working relationship between RKHIS and EEF has enabled us to gain an understanding of members’ needs and develop an exclusive new product to help provide protection against employment disputes.

The new product is called Employment Practices Liability (EPL) and has been developed in conjunction with Travelers Insurance Company Ltd. EPL is a policy designed to pay damages, judgments, settlements and defence costs on behalf of the Insured, which arise from employment violation claims. Examples include – unfair dismissal, racial discrimination, age discrimination etc.

EPL insurance may provide broader coverage than the employment section under many traditional Legal Expenses products and a key feature of our product is that it has been designed to dovetail specifically with EEF’s own HR and Legal services that you receive as a member subscribing to the Tribunals and Settlements service option.

A unique feature of our product is that the insurer, Travelers, having recognised the in-house expertise of EEF’s own legal advisors and, has granted delegated claims handling authority to them. Where our EPL insurance is arranged, you continue to deal with EEF on all HR and Legal issues and you should also report directly to EEF any potential HR dispute that could result in a claim.

KEY FEATURES

Our exclusive EPL policy includes a number of features that could prove to be beneficial:

- Discounted premiums as an EEF member
- Definition of Insured includes subsidiary companies and directors, officers and employees
- Broad definition of “employment violation” within the policy terms
- You can choose an annual limit of indemnity ranging from £100,000 up to £10 Million.
- The standard policy deductible is £2,500 and you can receive an additional premium discount if this is increased to £5,000. Note, the deductible does not apply to defence costs that fall within EEF membership terms.
- Automatic cover is provided for any subsidiary company founded or acquired after policy inception, as long as it is domiciled in the UK and does not increase the total employee headcount by more than 25%.

WHERE EPL WOULD BE USED - EXAMPLES OF CLAIMS: *

- A warehouse employee was awarded compensation after an employment tribunal found that he had been the subject of racist taunts, threats and abuse by colleagues over four years. Although the employer had initially been made aware of the situation it was found that they did not take adequate steps to deal with it. Consequently, the employee was awarded over £45,000 in compensation.
- An employee who became physically unable to do his original job following surgery won compensation of £23,000 from the courts. The employee was capable of working at a desk, and despite applying for numerous such posts internally, the employer made no appointment. The court held that the employer should have made reasonable adjustments.
- An employee was awarded compensation for disability discrimination. He declared medical conditions at the time of appointment but was then victimised by colleagues when he could not carry out the full range of duties. The tribunal held that a proper work assessment of his needs had not been carried out and awarded compensation of £18,225.

* Source: Travelers Insurance Company Ltd

HOW DO I APPLY FOR COVER?

A completed proposal form is required so that a quotation can be provided. In some cases, a short form proposal form will be adequate where a "clear" declaration can be answered with no underwriting issues to be disclosed. Otherwise a slightly more detailed proposal form is required that will provide underwriters with the necessary information to provide a quotation.

You can obtain a proposal form and indeed a copy of the policy wording, key facts and a "Frequently Asked Questions" document in the following ways:

Visit www.eef.org.uk/advantages

Call **0800 731 2606**

Email enquiries@eefinsurance.co.uk

Upon receipt of the completed proposal form, we will aim to provide a written quotation within five working days. If additional information is required to confirm a quotation we will contact you within five working days.

ABOUT R K HARRISON

R K Harrison Insurance Services is part of the R K Harrison Group, a leading, independently owned insurance and reinsurance broker. With offices in the UK and Bermuda we specialise in providing insurance solutions for businesses, associations and private individuals both in the UK and internationally.

With premiums in excess of £750 million placed annually on behalf of clients, we have the expertise and strength to deliver quality products and competitive pricing. Although a dynamic, forward thinking organisation, we pride ourselves on our traditional approach to personal service. We employ highly skilled, motivated people. Our staff retention is one of our strengths and it allows us to offer continuity so we are truly able to understand our clients and their needs.



National Broker of
the year Insurance
Times Awards 2009:
Winner



Broking Initiative
of the year British
Insurance Awards
2008: Winner

ABOUT EEF

EEF, the manufacturers' organisation, is dedicated to the future of manufacturing. With over 6,000 members, EEF is committed to fostering enterprise and evolution across manufacturing to keep industry competitive, dynamic and future-focused.

Aside from the unique combination of business services, government representation and industry intelligence which are available to members, EEF also offers Advantages - an exclusive portfolio of member benefits that use the buying power of EEF's member community to create commercial benefits for you.

Part of the portfolio is EEF Insurance, the exclusive insurance service which enables members to benefit from a broad range of high-quality insurance Advantages, with a range of enhanced benefits. The service is provided by R K Harrison Insurance Services and aims to provide a comprehensive commercial insurance service. In less than three years, the programme has grown to place in excess of £4 million of premium income on behalf of members and has provided typical premium savings in excess of 20%. The programme was recognised at the 2008 British Insurance Awards, winning the Broking Initiative of the Year category.

ABOUT TRAVELERS

Travelers Insurance Company Ltd has been rated as A (excellent) by AM Best and AA- (very strong) by Standard and Poor. Credit rating accurate as at January 2010. The latest Financial Strength Ratings are available on-line:

<http://www.travelers.com/corporate-info/about/financialStrength.aspx>

Travelers Insurance Company Ltd is part of Travelers Group which has assets worth around \$110 billion and achieves consistently high independent credit ratings.

In the UK, Travelers provides a range of specialist property and liability insurance products for the automotive industry; the electronics and other technology related industries; sections of manufacturing industry; local authorities; transportation companies; hospitals, hospices, clinics and medical services companies; universities, colleges and schools; Private Finance Initiatives; property owners; marine industries; media and entertainment; and various professions including solicitors, accountants, architects, advertising agencies and chartered surveyors.

Contact Us

For more information, or a no obligation quotation, please contact the corporate sales team:

Telephone:
0800 731 2606

Email:
enquiries@eefinsurance.co.uk

Alternatively, visit
www.eef.org.uk/advantages



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