

IMPORTANT COVID-19 UPDATE

LAYING OFF EMPLOYEES DUE TO COVID-19?

Consider Examining Your Employment Practices Liability Insurance Policy

Many businesses are being forced to take the unfortunate step of reducing their workforce in light of the economic impact caused by government orders to shut down their businesses. Along with governmental orders, supply chain interruptions and general population fear have contributed to economic turmoil. If you are a business considering layoffs, you may want to place your Employment Practices Liability Insurance policy ("EPLI") on notice of the facts and circumstances.

In general, EPLI provides insurance coverage as defined below:

Employment Practices Wrongful Act means any:

1. Breach of any employment contract or agreement or contractual obligation, including those arising out of any employee handbook, personnel manual, policy statement or other representation;
2. Discrimination;
3. Harassment;
4. Retaliation;
5. Workplace Tort; or
6. Wrongful Employment Decision, committed, attempted, or allegedly committed or attempted by an Insured while acting in his or its capacity as such.

If your reduction in force involved discretionary criteria, it is possible that you may face a claim from an employee challenging the criteria.

The members of Conner Strong & Buckelew's COVID-19 Claims Task Force are ready to assist you in determining if you should notify your carrier of your reduction in force.

Please visit our [COVID-19 Resource Center](#) for more information