



EMPLOYMENT PRACTICES LIABILITY START-UP KIT

WHAT IS EMPLOYMENT PRACTICES LIABILITY COVERAGE (EPC)?

As a member of MMIA's Liability program you are eligible to join the EPC coverage at ***no charge***. Currently, the Memorandum of Liability Coverage excludes certain employment practices. The EPC coverage will expand your liability coverage to include defense costs for wrongful employment practices claims. Wrongful Employment Practice means the actual or alleged: wrongful employment termination, unlawful discrimination, sexual harassment, Civil Rights violation, and/or workplace torts. The employment practices liability coverage does not extend to indemnification or penalties under State or Federal provisions and does not include collective bargaining or Union grievance procedure issues, including union negotiations.

HOW DOES MY CITY OR TOWN ATTAIN THIS COVERAGE?

In order to attain the EPC coverage, MMIA will start by reviewing the items listed below. After reviewing these items MMIA will send you a formal review letter indicating what items may need to be updated and/or edited and provide you with samples to assist you in doing so. Items that need to be sent to MMIA for review in the enclosed envelope include:

- Personnel Policy/Procedures Manual
- Employment Application include all supplemental processes you *may* have such as:
 - background checks
 - drug testing
 - hiring assessments
 - other
- Sample of Selection Interview Questions used in past hiring
- 3 Job Descriptions for Current Positions
- Training Schedule (if applicable) for:
 - Harassment Prevention
 - Safety Training
- Records Retention Schedule for:
 - payroll records
 - personnel files
 - employee medical files
 - recruiting/selection files (applications, interview notes, etc.)

Once your policies, procedures, and job descriptions are updated, you will complete an application to the MMIA for the endorsement. You will certify that there are specific policies/procedures and job descriptions in place and provide MMIA with updated copies of these materials. MMIA will perform a final review of the materials to ensure they meet the coverage standards before an endorsement is issued.

The review process can typically be completed within 45 days upon MMIA receiving the listed materials.

WHAT IF OUR CITY OR TOWN DOESN'T HAVE ALL OF THESE THINGS?

Not a problem! If your city or town needs a personnel policy manual, job descriptions, or an employment application, MMIA can provide you with a template to review and make your own. We provide these templates in both hard and electronic (MSWORD) formats.

HOW WILL THIS AFFECT OUR OVERALL LIABILITY COVERAGE & WHAT IF OUR CITY ATTORNEY HANDLES EMPLOYMENT PRACTICES ISSUES?

As with other liability claims, coverage will be triggered when a city or town files a claim with the MMIA. A claim can be submitted at any point after a legal action has been filed against the city or town. Claims filed in a legal forum (including the Human Rights Bureau/EEOC) are regarded as a legal action against the city or town.

As with filing any liability claim, communities need to recognize that incurred losses will affect modification factors and retro adjustments when EPC claims are submitted. If a city or town has the benefit of counsel with appropriate expertise, the city or town can choose to handle all or part of the legal defense using their attorneys. By doing so, the city or town would not incur loss cost, claim experience, modification factor adjustment, or deductible expense.

MMIA CONTACT FOR ADDITIONAL INFORMATION:

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