

**THIS IS A CLAIMS-MADE AND REPORTED COVERAGE ENDORSEMENT.  
PLEASE NOTE THAT DEFENSE COSTS ARE CONTAINED WITHIN THE LIMIT OF  
LIABILITY AND THE DEDUCTIBLE. PLEASE READ THE ENTIRE EMPLOYMENT  
PRACTICES LIABILITY COVERAGE ENDORSEMENT CAREFULLY TO  
DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT COVERED.**

## **EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE ENDORSEMENT**

Throughout this Coverage Endorsement (hereinafter referred to as "EPL Coverage"), the words "you" and "your" refer to the "named insured(s)" shown in the Supplemental Declarations of this EPL Coverage and any other person(s) or organization(s) qualifying as a "named insured" under this EPL Coverage. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under SECTION III. WHO IS AN INSURED.

Other words and phrases that appear in "quotations" have special meaning. Refer to SECTION VII. DEFINITIONS.

The terms and conditions of the Cancellation Clause of the Common Policy Conditions and any amendment to such terms incorporated by endorsement are hereby incorporated herein and shall apply to coverage as is afforded by this EPL Coverage, unless specifically stated otherwise in an endorsement(s) attached hereto.

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### **SECTION I. WHAT IS COVERED**

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#### **A. Insuring Agreement**

1. "We" shall pay those "losses" arising out of an "insured's" "wrongful employment act" (other than a "third party violation") against "your" "employees", "recognized volunteers" and "applicants for employment" to which this insurance applies.
2. If coverage for "third party violations" is shown on the Supplemental Declarations, then "we" shall pay those "losses" arising out of an "insured's" "third party violation".
3. For coverage to apply under this EPL Coverage, the "wrongful employment act" or "third party violation" must commence or take place after the Retroactive Date, but before the end of the "EPL coverage period". If no Retroactive Date appears on the Supplemental Declarations then the Retroactive Date shall be the date of organization of the "named insured." A "claim" or "suit" for a "wrongful employment act" or "third party violation" must be first made against "you" during the "EPL coverage period" and reported to "us" pursuant to the terms of this EPL Coverage.
4. A "claim" or "suit" by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:
  - a. When written notice of such "claim" or "suit" is received and recorded by any "insured" or by "us", whichever comes first; or
  - b. When "we" make any settlement in accordance with the terms of this EPL Coverage.

#### **B. Defense**

1. "We" have the right and duty to defend and appoint an attorney to defend any "claim" or "suit" brought against any "insured" for a "wrongful employment act" or "third party violation" to which this insurance applies, even if the "claim" or "suit" is groundless or fraudulent.

At the time a "claim" or "suit" is first reported to "us", "you" may request that "we" appoint a defense attorney of "your" choice. "We" will give full consideration to any such request.

2. "We" have the right to investigate and settle any "claim" or "suit" that "we" believe is proper. "You" shall be entitled to consent to such settlement, provided "your" consent is not unreasonably withheld and is provided as soon as practicable.

If "you" refuse to consent to any settlement that "we" recommend and that is acceptable to the claimant, then "our" liability under this EPL Coverage for such "claim" or "suit" shall not exceed the amount for which we could have settled had "your" consent not been withheld at the time of "our" recommendation. "You" shall thereafter negotiate and defend that "claim" or "suit" at "your" own cost and without "our" involvement.

3. We" shall pay all reasonable costs "we" ask the "insured" to incur while helping "us" investigate or defend a "claim" or "suit". "We", however, will not pay more than \$250 per day for earnings lost by the "insured" because of time taken off from work.
4. "We" shall pay premiums for appeal bonds, or bonds to release property being used to secure a legal obligation, for a covered "suit". "We" shall only pay, however, for bonds valued up to "our" EPL Aggregate Limit of Liability. "We" shall have no obligation to appeal or to obtain these bonds.
5. Payments for "defense costs" are included within the EPL Aggregate Limit of Liability. They are not in addition to the EPL Aggregate Limit of Liability. "Our" duty to defend or to make payment of any "claim" or "suit" pursuant to Paragraphs 1. through 4. of this Clause B., ends after the EPL Aggregate Limit of Liability has been exhausted by payment of "loss", including "defense costs".
6. "We" shall pay all interest on that amount of any judgment within the EPL Aggregate Limit of Liability:
  - a. Which accrues after entry of judgment; and
  - b. Before "we" pay, offer to pay, or deposit in court that part of the judgment within the EPL Aggregate Limit of Liability.

These interest payments shall be in addition to and not part of the EPL Aggregate Limit of Liability.

### C. Transfer of Control

1. "You" may take over control of any outstanding "claim" or "suit" previously reported to "us", but only if "we", in "our" sole discretion, decide that you should, or if a court orders "you" to do so.
2. Notwithstanding Paragraph 1. of this Clause C., in all events, if the EPL Aggregate Limit of Liability is exhausted, "we" will notify "you" of all outstanding "claims" or "suits" and "you" will take over control of the defense. "We" will help transfer control of the "claims" and "suits" to "you".
3. "We" shall take whatever steps are necessary to continue the defense of any outstanding "claim" or "suit" and avoid a default judgment during the transfer of control to "you". If "we" do so, "we" shall not waive or give up any of "our" rights. "You" shall pay all reasonable expenses "we" incur for taking such steps after the EPL Aggregate Limit of Liability is exhausted.

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## SECTION II. EXCLUSIONS—WHAT IS NOT COVERED

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This insurance does not apply to:

**A. Criminal Acts**

Any liability arising out of any dishonest, fraudulent, criminal, or malicious act by or at the direction of any "insured". However, to the extent that a "claim" or "suit" is otherwise covered under this EPL Coverage "we" will defend a "claim" or "suit" asserting a dishonest, fraudulent, criminal or malicious act until such time as the "insured" is determined to have committed such dishonest, fraudulent, criminal or malicious act.

The "wrongful employment act(s)" or "third party violation(s) of an "insured" shall not be imputed to any other "insured" for the purpose of determining the applicability of this Exclusion **A**.

**B. "Property Damage"**

Any liability arising out of "property damage".

**C. "Bodily Injury"**

Any liability arising out of "bodily injury".

**D. Worker's Compensation, Social Security and Unemployment, Disability and Retirement Benefits**

Any liability arising out of any obligation pursuant to any worker's compensation, disability benefits, unemployment compensation, unemployment insurance, retirement benefits, social security benefits or similar law. This exclusion, however, shall not apply to "loss" arising from a "claim" or "suit" for "retaliation".

**E. Contractual Liability**

Any liability arising out of any actual or alleged contractual liability of any "insured" under any express contract or agreement. This exclusion, however, shall not apply to any liability the "insured" would have in the absence of such express contract or agreement.

**F. ERISA, FLSA, NLRA, WARN, COBRA, and OSHA**

Any liability for violation(s) of any of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act (except the Equal Pay Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, any rules or regulations of the foregoing promulgated thereunder, and amendments thereto or any similar federal, state, local or foreign statutory law or common law.

It is acknowledged that "claims" and "suits" for violation(s) of any of the responsibilities, obligations or duties imposed by "similar federal, state, local or foreign statutory law or common law," as such quoted language is used in the immediately-preceding paragraph, include, without limitation, any and all "claims" and "suits" which in whole or in part allege, arise out of, are based upon, are attributable to, or are in any way related to any of the circumstances described in any of the following:

1. The refusal, failure or inability of any "insured(s)" to pay wages or overtime pay (or amounts representing such wages or overtime pay) for services rendered or time spent in connection with work related activities (as opposed to tort-based back pay or front pay damages for torts other than conversion);
2. Improper deductions from pay taken by any "insured(s)" from any "employee(s)" or purported employee(s); or

3. Failure to provide or enforce legally required meal or rest break periods;

Notwithstanding the foregoing, this Exclusion F. shall not apply to the extent that a “claim” or “suit” is for “retaliation”.

#### **G. Prior Knowledge**

Any liability arising out of incidents, circumstances or “wrongful employment acts” or “third party violations”, which an “insured”

1. Had knowledge of; or
2. Could have reasonably foreseen might result in a “claim” or “suit”

and which were known to the “insured” prior to the effective date of this EPL Coverage or the first EPL Coverage issued by “us” of which this EPL Coverage is an uninterrupted renewal.

#### **H. Prior Notice**

Any liability arising out of the facts alleged, or to the same or “related wrongful employment acts” or “related third party violations” alleged or contained in any “claim” or “suit” which has been reported, or in any circumstances of which notice has been given, under any policy of which this EPL Coverage is a renewal or replacement or which it may succeed in time.

#### **I. Prior Litigation**

Any liability arising out of any prior

1. Litigation; or
2. Administrative or regulatory proceeding or investigation

of which an “insured” had notice, or alleging the same or “related wrongful employment acts” or “related third party violations” alleged or contained in such pending or prior litigation or administrative or regulatory proceeding or investigation which the “insured” had knowledge of prior to the effective date of this EPL Coverage or the first EPL Coverage issued by “us” of which this EPL Coverage is an uninterrupted renewal.

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### **SECTION III. WHO IS AN INSURED**

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#### **A. Individual**

If “you” are shown in the Supplemental Declarations of this EPL Coverage as an individual, “you” and “your” spouse or “Domestic Partner” are “insureds”, only for the conduct of a business of which “you” are the sole owner.

#### **B. Corporation**

If “you” are shown in the Supplemental Declarations of this EPL Coverage as a corporation or organization other than a partnership, joint venture, or limited liability company, “you” and “your” “subsidiaries” are “insureds”.

#### **C. Partnership or Joint Venture**

If “you” are shown in the Supplemental Declarations of this EPL Coverage as a partnership or joint venture, “you” are an “insured”. “Your” members, partners or co-venturers and their spouses or “Domestic Partners” are also “insureds”, but only for the conduct of “your” business.

**D. Limited Liability Company**

If “you” are shown in the Supplemental Declarations of this EPL Coverage as a limited liability company, “you” are an “insured.” “Your” members are also “insureds”, but only with respect to the conduct of “your” business. “Your” managers are “insureds”, but only with respect to their duties as “your” managers.

**E. Trusts**

If “you” are shown in the Supplemental Declarations of this EPL Coverage as a trust, “you” are an “insured”. “Your” trustees are also “insureds”, but only with respect to their duties as trustees.

**F. “Employees”**

“Your” “employees”, executive officers and directors are “insureds”, only for the conduct of “your” business within the scope of their employment or their duties as executive officers or directors.

**G. Extensions**

1. Subject otherwise to the terms hereof, this EPL Coverage shall cover “loss” arising from any “claims” or “suits” made against the estates, heirs, or legal representative of deceased individual “insureds”, and the legal representatives of individual “insureds”, in the event of incompetency, who were individual “insureds” at the time the “wrongful employment acts” or “third party violations”, upon which such “claims” or “suits” are based, were committed.
2. Subject otherwise to the terms hereof, this EPL Coverage shall cover “loss” arising from all “claims” and “suits” made against the lawful spouse (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world) or “Domestic Partner” of an individual “insured”, including a “claim” or “suit” that seeks damages recoverable from marital community property, property jointly held by the individual “insured” and the spouse or “Domestic Partner”, or property transferred from the individual “insured” to the spouse or “Domestic Partner”; provided, however, that this extension shall not afford coverage for a “claim” or “suit” arising out of any “wrongful employment act” or “third party violation” of the spouse or “Domestic Partner”, but shall apply only to “claims” or “suits” arising out of any “wrongful employment acts” or “third party violations” of an individual “insured”, subject to this EPL Coverage's terms, conditions and exclusions.

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**SECTION IV. LIMIT OF LIABILITY (including “defense costs”)**

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- A. The EPL Aggregate Limit of Liability shown in the Supplemental Declarations of this EPL Coverage and the information contained in this section limits the most “we” shall pay for all “loss” (other than post-judgment interest described in Section I., Clause B., Paragraph 6.) arising out of “claims” and “suits” first made against “insureds” during the “EPL coverage period” or Extended Reporting Periods (if applicable), regardless of:
  1. The number of persons or organizations covered by this EPL Coverage; or
  2. The number of “claims” made or “suits” brought; or
  3. The length of the “EPL coverage period”.
- B. The EPL Aggregate Limit of Liability is the most “we” shall pay for all “losses” (other than post-judgment interest described in Section I., Clause B., Paragraph 6.), including amounts incurred for “defense costs”.

- C. The EPL Aggregate Limit of Liability for the Extended Reporting Periods (if applicable) shall be part of, and not in addition to the EPL Aggregate Limit of Liability for the “EPL coverage period”.
- D. All “claims” and “suits” arising from the same or “related wrongful employment acts” or “related third party violations” shall be treated as arising out of a single “wrongful employment act” or “third party violation”.
- E. All “claims” or “suits” arising out of one “wrongful employment act” or “third party violation” shall be deemed to be made on the date that the first such “claim” is made or “suit” is brought. All “claims” asserted in a “class action suit” will be treated as arising out of a single “wrongful employment act” or “third party violation”.
- F. Any “claim” or “suit” which is made subsequent to the “EPL coverage period” or Extended Reporting Periods (if applicable) which, pursuant to Section VI., Clause D., Paragraphs 3. and 4. is considered made during the “EPL coverage period” or Extended Reporting Periods (if applicable), shall also be subject to the one EPL Aggregate Limit of Liability stated in the Supplemental Declarations of this EPL Coverage.

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## SECTION V. DEDUCTIBLE

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“You” shall be responsible for the deductible amount shown in the Supplemental Declarations of this EPL Coverage with respect to each “claim” and “suit” and “you” may not insure against it. A single deductible amount shall apply to “loss” arising from all “claims” and “suits” alleging the same “wrongful employment act” or “third party violation” or “related wrongful employment acts” or “related third party violations”. Expenses “we” incur in investigating, defending and settling “claims” and “suits” are included in the deductible. The deductible is not included within the EPL Aggregate Limit of Liability.

At “our” option, “we” may pay any part or all of the EPL Deductible Amount to effect settlement of any “claim” or “suit” and upon notification of the action taken, “you” shall promptly reimburse “us” for such part of the deductible that has been paid by “us”.

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## SECTION VI. CONDITIONS

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“We” have no duty to provide coverage under this EPL Coverage, unless there has been full compliance with all the Conditions contained in this EPL Coverage.

### A. Assignment

The interest of any “insured” is not assignable. “You” cannot assign or transfer “your” interest in this EPL Coverage without “our” written consent attached to the EPL Coverage.

### B. Bankruptcy or Insolvency

“Your” bankruptcy, insolvency or inability to pay, will not relieve “us” from the payment of any “claim” or “suit” covered by this EPL Coverage.

Under no circumstances will “your” bankruptcy, insolvency, or inability to pay require “us” to drop down, in any way replace, or assume any of “your” obligations with respect to the Deductible provisions of this EPL Coverage.

### C. Coverage Territory

“We” cover “wrongful employment acts” or “third party violations” anywhere in the world, but only if the “claim” is made and the “suit” is brought for such “wrongful employment act” or “third party violation” in the United States of America, its territories and possessions, Puerto Rico, or Canada.

**D. Duties in the Event of an Incident, “Claim” or “Suit”**

1. If, during the “EPL coverage period”, incidents or events occur which “you” reasonably believe may give rise to a “claim” or “suit” for which coverage may be provided hereunder, such belief being based upon either written notice from the potential claimant or the potential claimant’s representative; or notice of a complaint filed with EEOC, DOL or OFCCP (or similar federal, state or local agency); or upon an oral “claim”, allegation or threat, “you” shall give written notice to “us” as soon as practicable and either:
  - a. Anytime during the “EPL coverage period”;
  - b. Anytime during the sixty (60) days immediately following the expiration of the “EPL coverage period”, for “claims” first made or “suits” first brought during the “EPL Coverage Period”, (as shown on the Supplemental Declarations) when this policy is renewed by “us”; or
  - c. Anytime during the Extended Reporting Periods (if applicable).
2. If a “claim” is made or a “suit” is brought against any “insured”, “you” must:
  - a. Immediately record the specifics of the “claim” or “suit” and the date received; and
  - b. Provide “us” with written notice, as described in Paragraph 3. of this Clause D., as soon as practicable.
3. Such written notice of “claim” or “suit” shall contain:
  - a. The identity of the person(s) alleging a “wrongful employment act” or “third party violation”;
  - b. The identity of the “insured(s)” who allegedly were involved in the incidents or events;
  - c. The date the alleged incidents or events took place; and
  - d. The written notice or a memorandum of the oral “claim”, allegation or threat referred to above.

If written notice is given to “us” during the “EPL coverage period” or Extended Reporting Periods (if applicable), pursuant to the above requirements, then any “claim” or “suit” which is subsequently made against any “insureds” and reported to “us” alleging, arising out of, based upon or attributable to such circumstances or alleging any “related wrongful employment act” or “related third party violation” to such circumstances, shall be considered made at the time such notice of such circumstances was first given.
4. If “you” submit written notice of a “claim” or “suit”, pursuant to this Clause D., then any “claim” or “suit” that may subsequently be made against an “insured” and reported to “us” alleging the same or a “related wrongful employment act” or the same or a “related third party violation” to the “claim” or “suit” for which such notice has been given shall be deemed, for the purpose of this insurance, to have been first made during the “EPL coverage period” or Extended Reporting Period (if applicable) in effect at the time such written notice was first submitted to “us”.
5. “You” and any other “insured” must:
  - a. Immediately send “us” copies of any demands, notices, summonses or legal papers received in connection with any “claim” or “suit”;
  - b. Authorize “us” to obtain records and other information;
  - c. Cooperate with “us” in the investigation, settlement or defense of the “claim” or “suit”;

- d. Assist “us”, upon “our” request, in the enforcement of any right against any person or organization which may be liable to the “insured” because of injury or damage to which this insurance may also apply;
  - e. Not take any action, nor fail to take any required action, that prejudices the rights of the “insureds” or “us” with respect to such “claim” or “suit”.
6. No “insureds” will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without “our” prior written consent.

#### **E. Transfer of Rights of Recovery Against Others to “Us”**

“You” may be able to recover all or part of a “loss” from someone other than “us”. “You”, therefore, shall do all that is possible after a “loss” to preserve any such right of recovery. If “we” make a payment under this EPL Coverage, that right of recovery shall belong to “us”. “You” shall do whatever is necessary, including signing documents, to help “us” obtain that recovery.

#### **F. Extended Reporting Periods**

1. “You” shall have the right to the Extended Reporting Periods described in Paragraph 2. of this Clause F., in the event that:
  - a. “You” or “we” shall cancel this EPL Coverage;
  - b. “You” or “we” shall refuse to renew this EPL Coverage; or
  - c. “We” renew this EPL Coverage on an other than a claims-made basis or with a Retroactive Date later than the Retroactive Date shown on the Supplemental Declarations of this EPL Coverage.
2. If an event as specified in Paragraph 1. of this Clause F. has occurred, “you” shall have the right to the following:
  - a. An Automatic Extended Reporting Period of thirty (30) days after the effective date of cancellation or nonrenewal at no additional premium in which to give to “us” written notice of “claims” first made or “suits” first brought against the “insureds” during said Automatic Extended Reporting Period for any “wrongful employment acts” or “third party violations” occurring before the end of the “EPL coverage period” and are otherwise covered by this EPL Coverage; and
  - b. Upon payment of an additional premium of 100% of the full annual premium applicable to this EPL Coverage, a Supplemental Extended Reporting Period of one (1) year immediately following the effective date of cancellation or nonrenewal in which to give to “us” written notice of “claims” first made or “suits” first brought against the “insureds” during said Supplemental Extended Reporting Period for any “wrongful employment acts” or “third party violations” occurring before the end of the “EPL coverage period” and are otherwise covered by this EPL Coverage.

To obtain the Supplemental Extended Reporting Period, “you” must request it in writing and pay the additional premium due, within thirty (30) days of the effective date of cancellation or nonrenewal. The additional premium for the Supplemental Extended Reporting Period shall be fully earned at the

inception of the Supplemental Extended Reporting Period. If “we” do not receive the written request as required, “you” may not exercise this right at a later date.

This insurance, provided during the Supplemental Extended Reporting Period, is excess over any other valid and collectible insurance that begins or continues in effect after the



Supplemental Extended Reporting Period becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.

#### **G. Change in Control of “Named Insured”**

In the event of a “transaction” then this EPL Coverage shall continue in full force and effect as to “wrongful employment acts” or “third party violations” occurring prior to the effective time of the “transaction”, but there shall be no coverage afforded by any provision of this EPL Coverage for any actual or alleged “wrongful employment acts” or “third party violations” occurring after the effective time of the “transaction”. This EPL Coverage may not be cancelled after the effective time of the “transaction” and the entire premium for this EPL Coverage shall be deemed earned as of such time. “You” shall also have the right to the Extended Reporting Periods described in Clause **F.** of this Section **VI.**

“You” shall give “us” written notice of the “transaction” as soon as practicable, but not later than thirty (30) days after the effective date of the “transaction”.

#### **H. Legal Action Against “Us”**

No person or organization has the right to join “us” as a party or otherwise bring “us” into a “suit” asking for damages from an “insured”.

#### **I. Other Insurance**

Unless expressly written to be excess over other applicable insurance, it is intended that the insurance provided by this EPL Coverage shall be primary.

#### **J. EPL Coverage Changes**

This EPL Coverage contains all the agreements between “you” and “us” concerning this insurance. The first “named insured” in the Supplemental Declarations of this EPL Coverage is authorized to request changes in this EPL Coverage. This EPL Coverage can only be changed by a written endorsement “we” issue and make part of this EPL Coverage.

#### **K. Representations**

Any and all relevant provisions of this EPL Coverage may be voidable by “us” in any case of fraud, intentional concealment, or misrepresentation of material fact by any “insured”.

#### **L. Special Rights and Duties of the First “Named Insured”**

“You” agree that when there is more than one person and/or entity covered under this EPL Coverage, the first “named insured” in the Supplemental Declarations of this EPL Coverage shall act on behalf of all “insureds” as to:

1. Giving of notice of a “claim” or “suit”;
2. Giving and receiving notice of cancellation or nonrenewal;
3. Payment of premiums and receipt of return premiums;
4. Acceptance of any endorsements issued to form a part of this EPL Coverage; or
5. Purchasing or deciding not to purchase the Supplemental Extended Reporting Period.

#### **M. Separation of Insureds**

Except with respect to the EPL Aggregate Limit of Liability and any rights or duties specifically assigned to the first “named insured” in Clause **L.** of this Section **VI.**, this insurance applies:

1. As if each “named insured” were the only “named insured”; and
2. Separately to each “insured” against whom a “claim” or “suit” is made.

#### N. Tie-In of Limits

As respects any “claim” or “suit” in which at least one person/entity claimed against is an “insured” under this EPL Coverage and at least one person/entity claimed against is an “insured” under any other EPL Coverage issued to “you” by “us” (the “Other Policy”), the combined EPL Aggregate Limit of Liability under both this EPL Coverage and the Other Policy for all “losses” arising from such “claims” or “suits” combined shall not exceed the highest applicable limit of insurance under either this EPL Coverage or the Other Policy. This limitation shall apply even if both this EPL Coverage and the Other Policy have been triggered due to a “claim” or “suit” made against the same person/entity but alleging “wrongful employment acts” or “third party violations” both in his, her or its capacity as an “insured” under the Other Policy and as an “insured” under this EPL Coverage.

#### O. Headings

The descriptions in the headings of this EPL Coverage are solely for convenience, and form no part of the terms and conditions of coverage.

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### SECTION VII. DEFINITIONS

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- A. “Applicant(s) for employment” means individual(s) who have applied or interviewed for a position of employment where work will be performed for, and completed under the direction of, the “named insured”.
- B. “Bodily injury” means physical injury, sickness, or disease, including death resulting therefrom.
- C. “Claim” means a written demand for monetary and non-monetary relief (including any request to toll or waive any statute of limitations). The term “claim” shall also mean an Equal Employment Opportunity Commission (EEOC), Department of Labor (DOL) or Office of Federal Contract Compliance Program (OFCCP) (or similar federal, state or local agency) proceeding or investigation commenced by the filing of a notice of charges, service of a complaint or similar document of which notice has been given to “you”. However, in no event, shall the term “claim” include any labor or grievance proceeding, which is subject to a collective bargaining agreement.
- D. “Class action suit” means any suit seeking certification or certified as a class action by a federal or state court.
- E. “Defense costs” means reasonable and necessary fees, costs and expenses consented to by “us” resulting solely from the investigation, adjustment, defense and appeal of a “claim” or “suit” against “you”. In no event shall “defense costs” include “your” or “our” routine on-going expenses, including, without limitation, the salaries of “your” or “our” “employees”, officers or staff attorneys.
- F. “Domestic partner” means any natural person legally recognized as a domestic or civil union partner under:
  1. The provisions of any applicable federal, state or local law; or
  2. The provisions of any formal program established by “you”.
- G. “Employee” means an individual whose labor or service is engaged by and directed by “you” for remuneration, whether such individual is in a supervisory, co-worker or subordinate position or otherwise, including any part-time, seasonal, and temporary “employees”.

An individual who is an independent contractor or leased to “you” shall also be an “employee”. Independent contractors who do not provide ongoing and routine services solely for “you” shall not be considered “employees”, including but not limited to independent trade contractors (e.g. plumber, electrician).

- H. “EPL coverage period” means the period commencing on the effective date shown in the Supplemental Declarations of this EPL Coverage. This period ends on the earlier of the expiration date or the effective date of cancellation of this EPL Coverage. If “you” became an “insured” under this EPL Coverage after the effective date, the “EPL coverage period” begins on the date “you” became an “insured”.
- I. “Loss(es)” means monetary amounts to which this insurance applies and which “you” are legally obligated to pay (including front pay and back pay), judgments, settlements, pre- and post-judgment interest on that part of any judgment paid by “us”, statutory attorney fees, and “defense costs”; however, “loss” shall not include:
1. Civil or criminal fines or penalties imposed by law;
  2. Taxes;
  3. Employment related benefits, stock options, perquisites, deferred compensation or any other type of compensation other than salary, wages or bonus compensation;
  4. Any liability or costs incurred by any “insured” to modify any building or property in order to make said building or property more accessible or accommodating to any disabled person, or any liability or costs incurred in connection with any educational, sensitivity or other corporate program, policy or seminar; or
  5. Matters which may be deemed uninsurable under the law pursuant to which this EPL Coverage shall be construed.

Where permitted by law, “loss” shall include punitive or exemplary damages imposed upon any “insured” (subject to the policy’s other terms, conditions and exclusions).

- J. “Named insured” means the person or organization designated in the Supplemental Declarations page of this EPL Coverage.
- K. “Property damage” means physical injury to, or destruction of, tangible property including the loss of use thereof, or loss of use of tangible property, which has not been physically injured or destroyed.
- L. “Recognized volunteer” means an uncompensated individual who volunteers labor or services to “you”, but only when performing such labor or services at the request of and under the direction of “you”.
- M. “Related wrongful employment act(s)” means “wrongful employment acts” which are the same, related or continuous, or “wrongful employment acts” which arise from a common nucleus of facts. “Claims” or “suits” can allege “related wrongful employment acts”, regardless of whether such “claims” or “suits” involve the same or different claimants, “insureds” or legal causes of actions.
- N. “Related third party violation(s)” means “third party violation(s)” which are the same, related or continuous, or “third party violation(s)” which arise from a common nucleus of facts. “Claims” or “suits” can allege “related third party violations”, regardless of whether such “claims” or “suits” involve the same or different claimants, “insureds” or legal causes of actions.
- O. “Retaliation” means a “wrongful employment act” of an “insured” alleged to be in response to the actual or attempted exercise by an “employee” of any right that such “employee” has under the law.
- P. “Subsidiary” means:

1. Any for-profit organization which, on or before the inception of the "EPL coverage period", is more than fifty (50%) percent owned by the "named insured", either directly or indirectly through one or more of its "subsidiaries"; or
2. A for-profit organization which becomes a "subsidiary" during the "EPL coverage period", but only upon the condition that within ninety (90) days of its becoming a "subsidiary", the "named insured" shall have provided "us" with full particulars of the new "subsidiary" and agreed to any additional premium or amendment of the provisions of this EPL Coverage required by "us" relating to such new "subsidiary". Further, coverage as shall be afforded to the new "subsidiary" is conditioned upon the "named insured" paying when due any additional premium required by "us" relating to such new "subsidiary".

An organization becomes a "subsidiary" when the "named insured" owns more than fifty (50%) percent ownership interest in such "subsidiary", either directly, or indirectly through one or more of its "subsidiaries". An organization ceases to be a "subsidiary" when the "named insured" ceases to own more than a fifty (50%) percent ownership in such "subsidiary", either directly, or indirectly through one or more of its "subsidiaries".

In all events, coverage as is afforded under this EPL Coverage with respect to a "claim" made or "suit" brought against any "subsidiary" or an "insured" of any "subsidiary", shall only apply to "wrongful employment act(s)" or "third party violation(s)" commenced or allegedly commenced after the effective time that such "subsidiary" became a "subsidiary", and prior to the time that such "subsidiary" ceased to be a "subsidiary".

- Q.** "Suit" means a civil proceeding or an administrative proceeding seeking money damages, and includes an arbitration, mediation or any other alternative dispute resolution procedure seeking such damages, to which the "insured" must submit or may submit with "our" consent. "Suit" shall not include any civil proceeding or administrative proceeding arising from any labor or grievance dispute which is subject to a collective bargaining agreement.
- R.** "Third party violation" means any actual or alleged discrimination or sexual harassment against "your" clients, customers, tenants, or vendors. "Third party violation" shall also include any of the following as it relates to such discrimination or sexual harassment:
1. Violation of an individual's civil rights;
  2. Libel;
  3. Slander;
  4. Humiliation;
  5. Mental anguish;
  6. Infliction of emotional distress;
  7. Defamation;
  8. Invasion of privacy; or
  9. Any discrimination arising out of Title III of the Americans With Disabilities Act of 1990.
- S.** "Transaction" means any of the following that occur during the "EPL coverage period":
1. The "named insured" shall consolidate with or merge into, or sell all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or

2. Any person or entity or group of persons or entities acting in concert shall acquire an amount of the outstanding securities representing more than fifty (50%) percent of the voting power for the election of directors or General Partners of the "named insured" (in the event the "named insured" is a Partnership), or acquires the voting rights of such an amount of such securities; or
3. A General Partner of the "named insured" (in the event the "named insured" is a partnership) withdraws, resigns or is terminated.

T. "Wrongful employment act(s)" means any actual or alleged:

1. Wrongful dismissal, discharge or termination (either actual or constructive), including breach of an implied contract;
2. Harassment or coercion (including sexual harassment, whether quid pro quo, hostile work environment or otherwise);
3. Discrimination (including but not limited to discrimination based upon age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy, disability, or violation of Title III of the Americans With Disabilities Act of 1990);
4. "Retaliation" (including lockouts);
5. Employment-related misrepresentation(s) to "your" "employee" or "applicant for employment" with "you";
6. Employment-related libel, slander, humiliation, mental anguish, infliction of emotional distress, defamation, or invasion of privacy;
7. Wrongful failure to employ or promote;
8. Wrongful deprivation of career opportunity, wrongful demotion or negligent "employee" evaluation, including the giving of negative or defamatory statements in connection with an "employee" reference;
9. Wrongful discipline;
10. Failure to provide or enforce adequate or consistent corporate policies and procedures relating to any "wrongful employment act" or "third party violations";
11. Negligent supervision or hiring by an "insured", relating to any of the above; or
12. Violation of an individual's civil rights relating to any of the above.

ALL OTHER PROVISIONS OF THIS POLICY APPLY.