



**ALLEGIANCE**  
EXECUTIVE & PROFESSIONAL  
LIABILITY INSURANCE SERVICES, INC.

# Allegiance Staffing Firm Employment Practices Liability Policy

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**T**HE INSURANCE FOR THIS product is underwritten by certain underwriters at Lloyd's. Allegiance Underwriting Group, Inc. arranges this insurance as a coverholder at Lloyd's. Allegiance Underwriting Group only transacts business in the State of California as Allegiance Executive & Professional Liability Insurance Services, Inc.

The descriptions contained in this broker communication are for preliminary informational purposes only. The product is available only on a surplus lines basis through licensed surplus lines brokers. The publication and delivery of the information contained herein is not intended as a solicitation for the purchase of insurance on any risk. The exact coverage afforded by the products described herein is subject to and governed by the terms and conditions of each policy issued. Any insured or applicant for this insurance should read the actual policy wording carefully and consult with their agent, broker, or a qualified attorney with any questions regarding coverage. Items appearing in bold face type are definitions in the actual policy or in the actual endorsement attached to the policy. The words "you" and "your" refer to the Insured. The word "Insured" means any person or organization qualifying as such under the definition in the policy. The words "we," "us," and "our" refer to the Underwriters providing this insurance.

## Staffing Firm Employment Practices Liability Policy

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Allegiance's staffing firm employment practices liability "EPL" policy is a specialized product targeting the various employment practice exposures of staffing firms. Policyholders, who purchase employment practices liability, receive access to loss prevention services through EPLI Pro™, a multi-faceted EPL risk management service.



## Coverage Overview

- Provides insurance coverage for:
  - (A) Insuring Agreement A: We will pay all **Loss** that the **Insureds** become obligated to pay as a result of **Claims** first made against any **Insured** during the **Policy Period**, or the **Extended Reporting Period** if applicable, and reported in accordance with the notice provisions in Section V.B.1, for **Wrongful Employment Practices**.
    - This Insuring Agreement is intended to provide coverage for **Claims** made by the **Staffing Firm's** own **Employees**. For example, a secretary at the **Staffing Firm** commences a sex discrimination lawsuit against the Vice-President of the Firm. Insuring Agreement A is triggered. This cover provides basic EPL insurance to the **Staffing Firm**.
  - (B) Insuring Agreement B: If purchased and indicated on the Declarations Page, we will pay all **Loss** that the **Insureds** become obligated to pay as a result of **Claims** first made by any **Temporary Worker** against any **Insured** during the **Policy Period**, or the **Extended Reporting Period** if applicable, and reported in accordance with the notice provision in Section V.B.1, for **Wrongful Employment Practices** or **Staffing Services Discrimination**.
    - This Insuring Agreement expands the scope of coverage and is intended to cover two types of situations. First, Insuring Agreement B is triggered when a **Temporary Worker** makes a **Claim** against the **Staffing Firm** for a **Wrongful Employment Practice**. Additionally, a **Claim** by the **Temporary Worker** against the **Staffing Firm** alleging **Staffing Services Discrimination** would also trigger Insuring Agreement B.
  - (C) Insuring Agreement C: If purchased and indicated on the Declarations Page, we will pay all **Loss** that your **Client** becomes obligated to pay as a result of **Claims** made by **Temporary Workers** against your **Client** for **Wrongful Employment Practices** (subject to a \$1m Sublimit).
    - This Insuring Agreement contemplates the situation where a person furnished by the **Staffing Firm** to a **Client** complains of a **Wrongful Employment Practice** by that **Client**. For example, Jane Doe, a **Temporary Worker**, is placed with Company Y as a temporary secretary while Company Y's permanent secretary is out on maternity leave. While working at Company Y, Jane Doe is subjected to co-worker slurs about her national origin. Jane Doe sues Company Y, alleging negligent supervision. Insuring Agreement C is triggered. As respects coverage under Insuring Agreement C, Underwriters will pay all **Loss** incurred by Company Y in connection with Jane Doe's lawsuit, which will be subject to a \$1m Sublimit.
- Coverage provided for **Wrongful Employment Practice** acts claimed by or on behalf of an **Employee**, former **Employee**, or applicant for employment, and only if committed or allegedly committed by any of the **Insureds** in their capacity as such
- **Wrongful Employment Practice** includes actual or alleged: discrimination, harassment, retaliation, hostile work environment, wrongful termination, breach of employment contract, employment decisions that violate public policy, defamation, wrongful infliction of emotional distress, misrepresentation, negligent hiring (see policy for further detail)
- **Staffing Services Discrimination** includes actual or alleged unlawful discrimination, including sexual harassment, committed by an **Insured** against any **Temporary Worker** in connection with **Staffing Services**



## Insured Overview

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- **Insured** includes the **Staffing Firm** and individuals who are your current or former principals, partners, officers, directors, trustees, shareholders, members of the Board of Managers, management committee members, in-house general counsel and those **Employees** for whom you request coverage for at the time of the **Claim**
- **Employee** includes any individual whose labor or service is engaged by and directed by the **Staffing Firm**, including volunteers and all staff members, whether part-time, full-time, seasonal, or temporary, including joint **Employees**, **Leased Employees**, independent contractors, and claimants alleging they are employees under the law; **Temporary Workers** will be considered **Employees** solely with respect to Insuring Agreement B and Insuring Agreement C.
- **Client** includes a person or entity that uses the professional services of the **Staffing Firm** and for whom an indemnification agreement is in place
- **Staffing Firm** includes the named **Staffing Firm**, whether as a corporation, partnership, joint venture, association, or otherwise; and any **Staffing Firm Subsidiary**

## Summary of Important Definitions

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- **Claim** includes written demand for monetary damages or non-monetary relief or for mediation, arbitration or the tolling or waiver of a statute of limitations; a charge, complaint or other notice of commencement of federal, state, or local administrative proceedings; filing of a civil lawsuit or arbitration proceeding; filing of a criminal lawsuit or the institution of criminal proceedings
- **Covered Loss** includes damages, judgments, settlements, verdicts, and awards, including compensatory damages, back pay, front pay, statutory attorney's fees, pre-judgment and post-judgment interest, statutory liquidated damages and **Defense Costs**
- **Loss** also includes punitive, multiple, and exemplary damages, to the extent insurable under the law of any applicable jurisdiction most favorable to insurability (if purchased)
- **Staffing Services** includes: (1) recruitment or selection of **Temporary Workers** for positions with your **Clients** via any medium, including the Internet, by you or any **Insured** on your behalf; and (2) assignment of **Temporary Workers** with your **Clients** in positions as temporary, permanent or leased workers, by you or any **Insured** on your behalf

- **Temporary Workers** includes a person you furnish to **Clients** to work for the **Clients** as permanent employees, temporary employees, or leased employees;

## Claims Reporting Requirements

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- **Claims** made and reported **Policy**
- Policy requires written notice of any **Claim** made against the **Insureds** as soon as practicable after the **Insured's** in-house counsel, human resources department, risk manager or an executive officer becomes aware of such **Claim**, but in no event later than 75 days after the end of the **Policy Period**
- **Claim** deemed first made when it is received by an **Insured**
- Solely at the **Insured's** option, the **Insured** may within the **Policy Period** or within the Extended Reporting Period, if purchased, provide us with notice of circumstances that could give rise to a **Claim** for **Wrongful Employment Practices** or **Staffing Services Discrimination**. Such notice shall include the identity of the person(s) involved and the reason the **Insured** believes a **Claim** may be made. If such notice is received by us or by our Authorized Representative within the



**Policy Period**, or within the Extended Reporting Period, if purchased, then any **Claim** subsequently arising from such circumstances shall be deemed made on the date such notice was received

### Other Terms and Conditions

- Duty to defend policy
- Additional Defense-Only Limit available which pays first leaving the original Limits of Liability to apply second to a covered **Claim**
- 85/15 settlement clause (applicable to Insuring Clauses A and B only)
- 50% Self-Insured Retention reduction if prior to the termination of any **Employee**, the **Staffing Firm** obtains and adopts the written advice of legal counsel recommended or approved by us as respects such termination, and a **Claim** is commenced by that **Employee** arising from the events of the termination
- 10% Self-Insured Retention reduction if a **Claim** is reported within 30 days of when it is first made
- 10% Self-Insured Retention reduction if the **Staffing Firm** consents to a settlement of a **Claim** within 20 days of the first request by Underwriters to consent and the settlement is accepted by the claimant
- 25% Self-Insured Retention reduction if there is a determination of “No Liability” of all **Insureds**
- **Policy** is intended to be primary insurance for **Wrongful Employment Practice Claims**
- As to coverage for **Claims** against **Leased Employees**, this **Policy** applies excess of all indemnification and insurance available to any **Insured** from or through the leasing company
- As to coverage for **Claims** against your **Client(s)**, this **Policy** applies excess of all indemnification and insurance that may be otherwise available to that **Client**
- Spousal and domestic partner coverage extension
- Coverage applies to **Wrongful Employment Practices** and **Staffing Services Discrimination** taking place and **Claims** made anywhere in the world
- Automatic new subsidiary coverage for newly acquired or created entities during the **Policy Period** that do not increase the total number of your **Employees** by more than 50%
- 120 day automatic new subsidiary coverage for newly acquired or created entities during the **Policy Period** that increase the total number of your **Employees** by more than 50%
- Extended reporting period available for a policy cancellation or non-renewal at the following options: 12 months for 75% additional premium; 24 months for 120% additional premium; 36 months for 140% additional premium
- **Policy** can be cancelled by Underwriters for non-payment of premium only
- Liberalization clause



## Coverage Extensions by Endorsement

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- **Wage and Hour Claim** coverage available by endorsement
- **Employee Privacy Violation** coverage available by endorsement
- **Immigration Practices Claim** coverage available by endorsement
- **Employment Event Loss** coverage available by endorsement providing coverage for fees and expenses charged by an **Employment Advisor** in connection with minimizing an **Insured Company's** exposure regarding layoffs/terminations, employment status changes, public announcements, or workplace disaster

## Contact Information

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To become an appointed agent or broker, please contact:

**Alan Janes**

Group President  
Allegiance Underwriting Group  
5010 Fairview, Suite 3  
Downers Grove, Illinois 60515  
630.241.2322  
ajanes@allegianceunderwriting.com

**Donna Davis**

President—Florida Operations  
Allegiance Underwriting Group  
8006 W. Hiawatha Street  
Tampa, Florida 33615  
813.601.0894  
ddavis@allegianceunderwriting.com

**Brian Conroy**

Divisional General Manager  
Allegiance Executive & Professional Liability  
Insurance Services, Inc.  
2551 State Street, Suite 228  
Carlsbad, California 92008  
760.729.6000  
bconroy@allegianceunderwriting.com