

Employment-related claims are at historic highs.

Consider the results of a recent survey of businesses conducted by a major law firm specializing in employment law:

- **57%** of the businesses were sued by an employee during 2004, an 8% increase over 2002.
- **63%** handled a complaint of sexual harassment in 2004, a 6% increase over the previous year.
- Gender discrimination was the leading cause of discrimination in 2004. **58%** of businesses reported this as the most frequent charge. A year earlier the number was 48%.
- Of the discrimination cases in 2003 race topped the list. **54%** of those sued said it was the most frequent charge. That was nearly double the 28% rate of 2000. Other frequent charges were gender discrimination (48%), age discrimination (46%), and discrimination due to a disability (37%).

**Source: Information referenced above was retrieved from the Web site: www.employerprotection.com*

The risks are real and really big.

All businesses have employment-practices liability exposures. No exceptions. Litigation related to claims of harassment, discrimination, and wrongful termination has increased dramatically.

Consider these shocking statistics:

- Employment-related lawsuits now comprise one out of every 12 federal court cases.
- Juries awarded over **\$1 million** in 12% of the cases. Some sources put the number closer to 20%.
- More than **50%** of employment-related claims are brought against companies with fewer than 100 employees.
- Approximately **75%** of employment-related claims are found to be groundless, but only after the employer has gone through significant defense dollars to prove it.

But even if your business is lucky enough to avoid litigation, you're by no means off the hook. **81% of claims settled in arbitration or in administrative hearings cost employers \$22,000 to \$40,000 on average.** Even claims settled immediately cost companies an average of \$7,500.

**Source: Information referenced above was retrieved from the Web site: www.employerprotection.com*

Our policy is performance.™

The Hanover is a leading super-regional property and casualty insurance company dedicated to achieving world-class performance. Our commitment is to deliver the products, services, and technology of the best national companies with the responsiveness, market focus and local decision-making of the best regional companies. This powerful combination has been a proven success since our founding in 1852, and is backed by our financial strength rating of "Excellent" from A.M. Best Company.



The Hanover Insurance Company

440 Lincoln Street, Worcester, MA 01653

Citizens Insurance Company of America

645 West Grand River Avenue, Howell, MI 48843

www.Hanover.com

This material offers a brief description of coverages and programs. Actual coverages may vary by state. Options and credits are not available in all states. For exact terms, conditions, exclusions and limitations, please contact the branch office nearest you.

Policies are underwritten by one or more of the following: Allmerica Financial Alliance Insurance Company, Allmerica Financial Benefit Insurance Company, Citizens Insurance Company of America, Citizens Insurance Company of Illinois, Citizens Insurance Company of the Midwest, Citizens Insurance Company of Ohio, The Hanover Insurance Company, The Hanover New Jersey Insurance Company, and/or Massachusetts Bay Insurance Company.

Florida: *Policies in the state of Florida are underwritten by The Hanover Insurance Company, Massachusetts Bay Insurance Company, The Hanover American Insurance Company, and/or Allmerica Financial Benefit Insurance Company.*

Avenues, The Hanover Insurance Group with Eagle icon, and "Our policy is performance" are trademarks of The Hanover Insurance Group, Inc.

Our policy is performance.™

Being Without It Is Courting Disaster





Broad Protection for Small Business Owners

The Hanover wants to protect your business against the increasingly pervasive employee allegations of sexual harassment, job discrimination, and wrongful termination. That's why we offer **Employment Practices Liability Insurance** (EPLI) coverage for a wide range of small businesses and automatically include it as part of our **Avenues Business™ Owner's Policy** (BOP).

EPLI Highlights:

- Offers many types of small businesses (with less than 25 employees) coverage against sexual harassment, job discrimination, and wrongful termination claims.
- Protects the entity, the owner, and partners against claims made by full-time, part-time, seasonal, and temporary employees.
- Provides coverage on a claims-made basis. It does not cover prior acts, known acts, or criminal acts.
- Features defense within the limits of liability on a duty to defend basis.
- Standard limit: \$100,000/\$10,000 deductible
- Options: \$100,000/\$5,000 deductible or \$250,000/\$10,000 deductible or \$250,000/\$25,000 deductible



Sexual Harassment. Job Discrimination. Wrongful Termination.

Grievances that can force you out of business unless you take preventive measures.

Employee grievances used to end up in court only as a last resort. Not anymore. Litigation has become the aggrieved employee's instrument of choice, whether the motivation is a serious workplace injustice or merely an escalated misunderstanding. The sobering fact is any employer can, in today's litigious world, become the target of an employee action. Even you.

Lost time, lost money, lost everything.

Depending upon the size of your small business, the conditions that trigger grievances could easily cost you thousands of dollars in lost time, increased absenteeism, stress-induced workers' compensation claims, reduced productivity, and declined employee morale. And then there's the most dangerous side of the equation. The cost of your defense could



The Hanover has the EPLI product, experience, and expertise that small business owners need to be prepared for a highly litigious world. Don't wait to take advantage of what we have to offer.

*Contact an agent of
The Hanover today!*

be crippling, given the difficulty of defending against such "he-said-she-said" actions. Worst of all, a case brought to trial could ultimately result in a damages award that could force your business into bankruptcy.

Your standard BOP won't protect you.

A typical BOP policy doesn't offer you protection against employment-related claims. That's why The Hanover's BOP policy automatically includes EPLI coverage to protect you against sexual harassment, job discrimination, and wrongful termination claims.

Weigh the very affordable cost of this comprehensive coverage against the potentially lethal cost of not having it, and it's clear you simply can't afford to be without it.

Fast. Easy. Flexible. And Affordable.

Using our advanced online **Avenues BOP** Point of Sale (POS) system, your agent can quickly assess all your business needs to propose various combinations of coverage options, deductibles, and pricing for your consideration. Your selections become active immediately, so you're covered right away. We also offer convenient, flexible payment options, including electronic funds transfer, and fast, fair claims handling with 24-hour, toll-free claims reporting number. We make getting insurance—and settling a claim—fast, simple, and hassle-free.



Our policy is performance.™