

# MARKETPLACE REALITIES & RISK MANAGEMENT SOLUTIONS

EMPLOYMENT PRACTICES LIABILITY

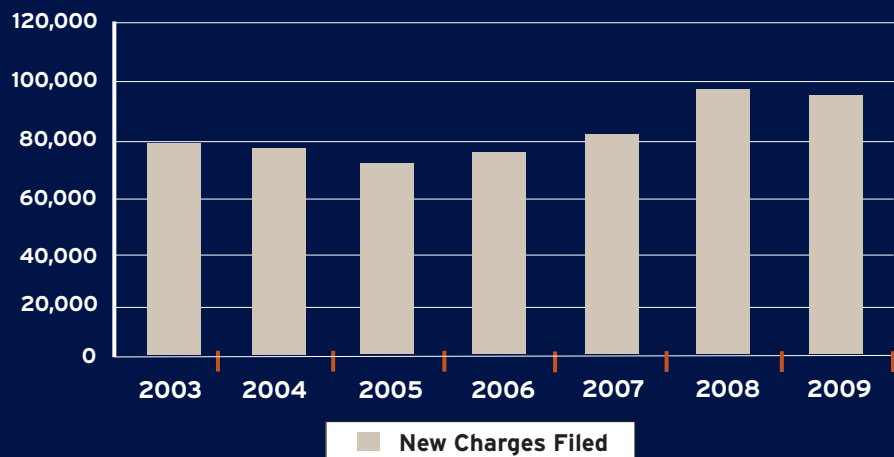
- **The Employment Practices Liability (EPL) market remains soft**, like the Directors & Officers (D&O), with reductions expected throughout 2011. While the size of the reductions will depend on the size of the exposure and industry class, we expect **most rates will fall by up to 15% or more**.
- **Even companies with active claim histories are able to reposition themselves** today with a compelling loss control plan.
- Bermuda and London have always played a strong EPL role and this is increasingly true.
- Private companies and not-for-profit organizations continue to purchase their EPL as part of a package with their D&O or Management Liability coverage, with **EPL as the price driver**.
- Carriers who introduced new D&O forms in 2009-2010 are now looking to do the same for EPL, so stay tuned for more information on **new terms and conditions**.
- With the largest EPL class action ever (1+ million potential plaintiffs) heading to the U.S. Supreme Court in 2011, the coming year may hold surprises, but **we still anticipate stability in pricing**.

## PRICE PREDICTIONS

**PRIVATE / NONPROFIT**  
Flat to -20%

**PUBLIC COMPANY**  
Flat to -15%

## NEW CHARGES FILED WITH THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION



## INDUSTRY HIGHLIGHTS

- **Financial Services** — The premium base is higher than in other industries (due to historical claims) but pricing trends are following those for public companies.
- **Health Care** — For nonprofits, perceived EPL exposures are the dominant factor when it comes to package Management Liability pricing.
- **Retail** — Buyers will find their efforts at differentiation rewarded within this tougher class.
- **Technology/Media/Telecommunications** — Carriers tend to view this sector's mobile workforce as riskier (less predictable, more volatile) until shown otherwise.
- **Large, Public Companies** — 2011 will see more competition on primary placements, but there will still be a limited class of competitors.

## CONTACT

**Ann Longmore** | D&O, EPL and Fiduciary Leader | 212 915 7994 | [ann.longmore@willis.com](mailto:ann.longmore@willis.com)