

# WAGE AND HOUR LIABILITY

Wage and hour disputes impact companies of all sizes, and continue to garner media attention due to their frequency of occurrence and the costs associated with them. United States employment laws require strict compliance, including the correct classification of employees and accurate payment of wages. Employees who bring actions against their employers and win can recover double the actual damages, plus attorneys' fees.

Employment Practices Liability (EPL) policies do not provide protection for Wage and Hour claims. Allied World is one of only a few carriers that offer Wage and Hour Liability Insurance for both defense costs and indemnity on a dedicated basis. This coverage is available on both a Primary and Excess basis and can be blended into a traditional EPL policy.

## COVERAGE HIGHLIGHTS

- Includes coverage for indemnity (settlement of claims; judgments) and defense costs
- Broad definition of Wage and Hour Violation includes:
  - violations of the FLSA and any similar federal, state or local laws
  - misclassification of employees, inaccurate payment of wages, incomplete pay stub disclosures, 'donning and doffing' claims, non-compliance with meal and break period requirements, and failure to compensate off-the-clock work
- Broad definition of Claim includes mediation, arbitration or other ADR proceeding
- Broad definition of Loss includes:
  - pre- and post-judgment interest
  - statutory attorney fees
  - statutory liquidated damages.
  - punitive and exemplary damages
- Narrow Conduct Exclusion – triggered only by final adjudication.
- No duty to defend; Insured has right to select defense counsel
- Insured may settle Claim within the retention without Insurer's consent
- Insurer will advance payments of loss on a periodic basis prior to final resolution of Claim
- Automatic coverage of new subsidiaries with less than 5,000 employees
- Bordereau reporting for certain claims
- 30-day post policy reporting of claims

## TARGET COMPANIES

- Companies employing individuals in the U.S.
- Company size varies.
- No specific industry class is excluded. However, the following industry classes typically have greater Wage and Hour activity:
  - Retail
  - Food Service
  - Hospitality
  - Healthcare
  - Construction

## CAPACITY

Up to \$15m limit available on a primary basis; up to \$25m on an excess basis.

## SUPERIOR COVERAGE AND SERVICE

- Talented, experienced underwriters in Bermuda who understand the risks and pressures U.S. companies face and can formulate coverage to fit their needs.
- Dedicated claims specialists who are known for their expertise, responsiveness, diligence and ability to resolve claims to our clients' satisfaction.

## CONTACTS

### Dale Chow

Senior Vice President, Professional Liability

E. dale.chow@awac.com

T. +1.441.278.5455

### Aileen Smith

Vice President, Professional Liability

E. aileen.smith@awac.com

T. +1.441.278.5503



A FAIRFAX Company

This information is provided as a general overview for agents and brokers. Coverage will be underwritten by an insurance subsidiary of Allied World Assurance Company Holdings, Ltd, a Fairfax company ("Allied World"). Such subsidiaries currently carry an A.M. Best rating of "A" (Excellent), a Moody's rating of "A3" (Good) and a Standard & Poor's rating of "A-" (Strong), as applicable. Coverage is offered only through licensed agents and brokers. Actual coverage may vary and is subject to policy language as issued. Coverage may not be available in all jurisdictions. Risk management services are provided or arranged through AWAC Services Company, a member company of Allied World. © 2019 Allied World Assurance Company Holdings, Ltd. All rights reserved.

