

SAFETY NOTICE

EPLI - Importance of Timely Reporting of Claims

D&O/EPL claims are almost inevitable in the franchise space despite proactive training and putting best practices in place. This is why Owner/Operators purchase a EPLI policy to help protect themselves in case of that. Having a policy in place is very important but reporting an incident/claim in a timely manner is also as important. A frequent reason a claim is denied is due to late reporting and/or prior knowledge of the incident in question when the claim is reported. For example, a recent claim was denied as the Owner/Operator was given an EEOC Notice of a Charge of Discrimination in late September but didn't report it to RSUI until a "right to sue" letter was sent in March. Although the policy grants Full Prior Acts, since the incident was known and acknowledged by the Owner Operator in September, it was denied due to late reporting. Conversely, an Owner/Operator was put on notice for an incident of discrimination against a customer and submitted that to RSUI. They were recently sent a EEOC "right to sue" letter from the alleged claimant and RSUI is defending the claim as it was previously reported to them.

There are a lot of reasons why Owner/Operators fail to report incidents/claims. These can range from simply not understanding what to do, thinking that it'll blow over, and up to believing that this is a "bogus accusation and I'll take care of it on my own". The latter happens a lot more than it should.

- **DO** call the LaPointe Helpline for guidance 1-877-376-4100. While they cannot report the incident to RSUI, they can offer advice and information on what to do. Calling the Helpline DOES NOT constitute of reporting the incident/claim.
- **DO** report any incident and potential claim to the carrier. Having the carrier acknowledge puts it on record.
- **DO** train their GMs/other personnel handling the mail to identify EEOC/State notices, etc and promptly inform them of such letters.
- **DON'T** attempt to deal with it on their own. Some Owner/Operators will have their in-house attorney/personal attorney attempt to address the issue. This will almost always lead to a denial from the carrier when they report it afterwards.
- **DON'T** report to the GL/Workers Comp/Umbrella carrier

Online Claims Reporting: Visit www.NOIT.com then select report a claim.

IMPORTANT: the claim (i.e. the EEOC charge, the complaint, demand letter, etc) must be attached to the online claim form.

Note: claims MUST be reported via the online form. Reporting it to the EPRMA hotline, LaPointe Law, or your Package broker or Package carrier is NOT considered appropriate notice.