



UK EMPLOYMENT LAW HAS CHANGED. CAPPED DAMAGES HAVE BEEN REMOVED FOR MANY OFFENCES AND THE BURDEN OF PROOF LIES ON EMPLOYERS TO SHOW THEIR INNOCENCE TO TRIBUNALS - OR FACE FIVE EVEN SIX FIGURE LOSSES.

The number of employment practices claims brought in the UK is increasing rapidly. According to the 06/07 Employment Tribunals Annual statistics, the number of cases heard at tribunal has increased by 53% in the past two years, from 156,000 to 238,000. In the two years between 04/05 and 06/07:

1. Sexual discrimination cases more than doubled to 28,000 cases a year
2. Religious belief discrimination cases doubled to 700 a year
3. Equal pay cases have increased fivefold to 44,000 a year

Our claims experience suggests that these statistics are just the tip of the iceberg, as the majority of claims are settled prior to going to tribunal. Claims brought by highly-paid employees can be expensive, but even an average tribunal award for a sexual discrimination case exceeds £10,000 – which of course doesn't include defence costs.

AIG UK's CorporateGuard EPLI Policy

Our CorporateGuard Employment Practice Liability Insurance provides global coverage for damages, judgements, settlements and defence costs for a range of actual or alleged employment practice violations. Coverage includes (but is not limited to):

- Unfair or wrongful dismissal, discharge or termination
- Unlawful discrimination (including but not limited to age, gender, race, colour, national origin, religion, sexual orientation or preference, pregnancy or disability)
- Discrimination against "whistleblowers"
- Breach of an implied contract
- Constructive dismissal
- Failure to employ or promote
- Failure to furnish accurate references
- Failure to grant tenure or negligent employee evaluation
- Failure to provide adequate employee policies and procedures
- The policy can be enhanced to provide additional cover for punitive and exemplary damages as well as the transfer of staff under TUPE regulations.

Exclusions apply. Policy scope and terms are subject to the terms and conditions of the policy. A specimen policy is available on request.

This insurance is underwritten by AIG UK Limited which is authorised and regulated by the Financial Services Authority (FSA number 202628). This information can be checked by visiting the FSA website (www.fsa.gov.uk/register). Registered in England: company number 1486260. Registered address: The AIG Building, 58 Fenchurch Street, London, EC3M 4AB. A member company of American International Group, Inc. These are brief product descriptions only. Refer to the policy for full terms and conditions applicable. Any scenarios are given as brief examples which may give rise to claims. These descriptions should not be relied on to justify coverage in any situation.