



THE BETTERLEY REPORT

EMPLOYMENT PRACTICES LIABILITY INSURANCE MARKET SURVEY—2022

Rate and Retention Increases Are Minor (and Even Flat) for Most Classes

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Highlights of this Issue

- Rate Increases Are Minor to Flat for Most Classes, but Availability and Capacity Is a Problem for Some
- 21 Insurers Tell Us How They Are Responding to the Risk Selection and Pricing Challenge
 - Trend Reveals Continuing Increased Attention to Insured's Practices, |Extra Care in Specific Classes, and Higher Rates
- 26 Leading Insurers Included—Bowhead Added
- Devon Park Removed from Survey (No Longer Writing Monoline EPL); ISO Verisk Product Also Removed (No Response)

Next Issue

February
Technology E&O Market Survey

The Betterley Report

Editor’s Note: *In this issue of The Betterley Report, we present our annual review and evaluation of the changing employment practices liability insurance (EPLI) market. We identify the leading insurers and key differences in their offerings, as well as evaluate the state of the market—how healthy is the line, whether it is growing, and what is the claims experience. In particular, we focus on rate trends.*

This issue reviews products from 26 insurers that form the core of this market. We have added Bowhead, and the Devon Park product was removed from the survey: they no longer write monoline EPL, though they still offer it as a part of their Private Company Management Liability product (which we include in our August issue). ISO Verisk was removed because we did not receive a response from them; although they are not an insurer, they offer an interesting template for insurers that wish to offer an EPL product but might not be able to justify the infrastructure expense.

EPLI coverage can also be found in management liability insurance packages. Readers may wish to read our “[Private Company Management Liability Insurance Market Survey—2022](#),” which reviews so-called management liability products that can, and usually do, include EPLI. For a few insurers, the only way they offer EPLI is as a part of such management liability products.

In this issue of “Employment Practices Liability Insurance Market Survey—2022,” we continue to delve deeply into insurers’ reactions to discrimination and harassment exposures, captured in our tables labelled #MeToo. While we have promised to not attribute the responses to individual insurers, we think reading those responses is helpful to understanding the mood of the market.

We have updated that section for 2022 and included the responses of the 21 that shared their knowledge. Please see the responses beginning on [page 5](#).

Again, this year we have included commentary on the size and growth prospects of EPLI by insurance demographics and economic experts [ISO MarketStance](#). Their data is much more refined than (but consistent with) ours, so it is a real benefit to our reports to include their insight.

While each insurer was contacted in order to obtain this information, we have tested their responses against our own experience and knowledge. Where they conflict, we have reviewed the inconsistencies with the insurers. However, the evaluation and conclusions are our own.

Of course, the insurance policies govern the coverage provided, and the insurers are not responsible for our interpretation of their policies or survey responses.

In the use of this material, the reader should understand that the information applies to the standard products of the insurers and that special

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arrangements of coverage, cost, and other variables may be available on a negotiated basis. Professional counsel should be sought before any action or decision is made in the use of this information.

Introduction

We have been closely following the EPLI market since 1991. In the beginning, there were five insurers; now, it is rare to find an insurer that offers specialty lines products but not EPLI. In addition to the stand-alone products, add-on coverage to package products (business owners-type policies) is available but appears to be limited to smaller employers as insurers recognize the importance of underwriting and claims expertise as vital to EPLI success.

For our survey, we focus on the most prominent insurers writing the most business or those that offer some unique product or service. While this omits some insurers, we believe that it makes the information more useful to our readers.

Note that there may be insurers that do not participate by choice, usually because at that time they were too busy to meet our 3-week time frame for responses. However, these are rare.

We are glad to consider all significant insurers who wish to participate in our reports. By significant, we mean market share, market focus (such as size or type of insured), or a special approach to coverage or services.

State of the Market

Rates and Retentions

Of our participating insurers, 18 shared their views on rates and retentions. They are summarized in the table beginning on the next page. Note that this table includes information as to the size of the insurer (based on EPLI premium volume) and their market focus (based on employer size).

Rates are definitely continuing their trend upward for select classes of business and locales. For the rest of the market, rates are generally flat to single digit increases. Compared to 2021, the market has definitely stabilized.

We asked the participating insurers to share their approach to the changed environment of #MeToo. In the tables beginning on [page 5](#) are the questions that we asked of our participating insurers and their responses in their own words.

Our takeaway from reading the responses is that most insurers are much further into implementing underwriting or pricing changes due to the wave of allegations than they seemed to be last year.

Note, too, the potential impact if some claims are for nonemployment relationships, which is the third-party coverage that is often overlooked by insureds and is, perhaps, not generating much premium for the insurer.

Like what you see in this executive summary?

The full report includes a list of 26 markets for employment practices liability insurance, along with underwriter contact information, and gives you a detailed analysis of distinctive features of each insurer's offerings. By purchasing the full report, you can learn more about how these insurers address the changing employment practices liability insurance markets.

For a sneak preview of the full report and all it has to offer, view the [2022 Report Highlights](#).