



Employment Practices Liability Claims Guide



The Cover

Cover for Employment Practices Liability is provided under Section C of the Executive Risk Solutions Policy.

Employment Practices Liability insurance provides cover against claims by employees arising out of actual or alleged employment wrongful acts, including discrimination, harassment, failure to consult and unfair dismissal.

For cover to be afforded, it's vital that notification is made to Zurich in accordance with the claims notification requirements of the policy. Cover may be declined if the notifications provisions of the policy are not properly followed.



The Employment Claim Process

An employment tribunal claim usually begins when someone raises a complaint or grievance against the company. Following which a mandatory ACAS early conciliation process takes place.

To start an employment tribunal claim, the claimant must have an ACAS early conciliation certificate.



When to notify us of a claim or potential claim?

If you find out about anything that could lead to an employment claim, or if you receive verbal or written notice of one, you need to tell us as soon as you can. You must do this no later than 45 days after your insurance period ends.



If you think something might happen that could lead to an employment claim, you should let us know during your insurance period. Just send us written notice with:

- details of what happened and why you think it could lead to a claim
- a description of the claim, investigation or situation
- the type of damage that's been caused or could be caused
- the names of the people involved
- the date and how you first found out about it.



What is an “employment claim”?

A “claim” includes:

- a written demand for compensation, monetary damages or non-monetary relief alleging any “wrongful act”
- a civil proceeding, suit or counter-claim for compensation, monetary damages or non-monetary relief commenced by the service of a claim form or similar pleading alleging any “wrongful act”.

An “employment claim” is:

- a “claim” in respect of an “employment wrongful act” which is brought and maintained by or on behalf of any past, present, future or prospective “employee” of the “insured company” or employee of an “outside entity” against an “insured”
- a “claim” brought by any natural person who is not an “employee” alleging harassment or discrimination.

These definitions are often met before an employment tribunal claim is made. For example, they can apply when:

- a solicitor’s letter is received making allegations of wrongdoing and asking for remediation
- an ACAS earlier conciliation process starts and allegations are made with a demand
- you receive any correspondence from the claimant or their representative outlining a claim and asking for compensation – even if it’s part of a grievance process.

WARNING: Any communication demanding compensation, monetary relief or non-monetary relief and making allegations of wrongdoing can trigger the above definitions.



What is a circumstance that may give rise to a claim?

When there is an employment dispute, employees often raise grievances or send communications outlining complaints, allegations or potential claims against the company or insured individuals.

If there’s any suggestion that a claim might be made, it will count as a circumstance under the policy.

Claims made prior to the current period of insurance

The policy is written on a claim-made basis. This means it will only cover claims that are made and reported during the current insurance period, including any extended reporting period.

The policy also includes a prior circumstances or claims exclusion, which means that cover is excluded for:

- any “employment claim” arising from or in consequence of any circumstance, fact, matter or occurrence that might give rise to any “employment claim” that was reported under any other insurance policy prior to inception of this policy or that was disclosed on your latest proposal to us; or
- any “employment claim” alleging or deriving from the same or similar facts or that has the same originating source or cause as the matters alleged in any “employment claim” made against the insured company prior to inception of the policy.





What happens if you don't notify us correctly?

If notification is not made as per the policy, the likely consequences are:



For any late notification the consequences of late notification will need to be considered.



The claim being declined as the claim was not made and notified under the current policy period as required under a claims made policy.



The claim being excluded from cover under the prior claims and circumstances exclusion.



The claim not attaching back to any prior policy period because notification was not made within 45 days of expiry of the old policy and/or the Insurers position being prejudiced as a result of late notification.



How to report a claim or a potential claim

If you're aware of a circumstance that may give rise to an "employment claim" or an "employment claim" has been made, you must notify us as soon as reasonably possible.

If you need to make an Employment Practices Liability claim, please contact the Specialty Claims Team at: professionalandfinancial.lines.newclaims@uk.zurich.com



N.B The information provided in this brochure does not amend, change or replace any policy language or specific requirements/duties within your policy documentation.

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