

# Employment Practices Liability



Camargue

An Employment Practices Liability (EPL) policy covers an employer's legal expenses and the awards made against it by the CCMA, Bargaining Councils and Labour Court for unfair labour practices such as unfair dismissal, sexual harassment, discrimination and failure to employ.

## Why has EPL insurance become necessary?

South Africa's labour force is possibly the most litigious community in the world. With an efficient and inexpensive means to sue their employers, employees have little to lose when bringing even the most hopeless cases against their employers. Consequently, employers frequently find themselves at the mercy of labour legislation; even efficient HR departments run the risk of falling victim to inconsistent decision making processes at the dispute resolution forums.

This makes **EPL insurance** one of the most **important** elements of a company's insurance portfolio. In addition to the damages award against the Insured, the cover also includes:

- The costs of legal expenses, out of court settlements, as well as back pay following a reinstatement order.
- Claims brought by past employees, current employees and job applicants.
- Claims brought by permanent employees, temporary employees and contractors who claim to be employees.

## What is not covered?

The following lists some of the important exclusions that are normally found on an EPL policy:

- **Wilful acts.** This includes the failure to follow the Insured's own internal procedures.
- Before taking disciplinary action or dismissing an employee, the Insured must first consult and follow the **labour advisors' guidance**. They can be reached at **0861 436 436**.
- **Salaries, remuneration and taxes** that would have arisen in the absence of the unfair labour practice  
*Example: If the employment contract specifies a one month severance period, then the policy will not pay the salary for that month because the Insured would have been obliged to pay it even if the dismissal had been fair.*
- **Claims arising out of industrial action** (strikes etc.) There is however cover for the costs of obtaining an interdict against an unprotected strike.
- The policy covers legal defence costs which arise from the time the employee notifies the CCMA or Bargaining Council of a dispute. In other words, there is no cover for the costs of running the company's internal disciplinary process before the dispute is referred.
- The policy covers unfair dismissals arising out of misconduct or incapacity, but not **retrenchments**.

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**AUTHORISED FINANCIAL SERVICES PROVIDER, LICENCE NUMBER: 6344. APPROVED LLOYD'S COVERHOLDER PIN: 107824DRW**

Camargue Underwriting Managers (Pty) Ltd. Co. Reg. No. 2000/028098/07.  
33 Glenhove Road, Melrose Estate, 2196. Postnet Suite 250, Private Bag X4, Bedfordview 2008  
Telephone: 011 778 9140, Facsimile: 011 778 9199, E-mail: [camargue@camargueum.co.za](mailto:camargue@camargueum.co.za), Website: [www.camargueum.co.za](http://www.camargueum.co.za)

Underwritten by certain underwriters at Lloyd's, Compass Insurance Company Limited and Bryte Insurance Company Limited

## Important value added benefits exclusive to Camargue

In addition to providing insurance cover, the policy also provides several important value added services which the Insured can use even when they are not claiming.

- Free legal advice on labour matters. This telephonic advice is an invaluable tool in preventing disputes – saving the Insured time and money.
- Alternative dispute resolution – this service resolves disputes before they go to court, which saves time, money and manages reputational risk.
- Subsidised training on industrial relations.
- Free employer’s organisation membership – this makes it possible for experienced professionals to represent the Insured at the CCMA.

## Employment Practices Liability Premium Indication

The table below shows the premiums Camargue typically charges. They are estimated using the intersection of the column indicating the Indemnity Limit and Excess required and the row indicating the Proposer’s number of employees. The number of staff must be rounded up.

*For example, a company with 47 staff requiring an indemnity limit of R 500 000 and an Excess of R 10 000 would typically be quoted R 6 700. If any of these options do not match the Client’s needs, please contact Camargue Underwriting Managers.*

INDEMNITY	R 500 000			R 1 000 000			R 2 000 000		
	R 3 500	R 5000	R 10 000	R 3 500	R 5000	R 10 000	R 5000	R 5000	R 10 000
<b>Employees</b>									
<b>Up to 10</b>	3097	2478	2354	4766	3813	3622	6196	4957	4708
<b>20</b>	4957	3965	3767	7626	6101	5796	9914	7930	7534
<b>30</b>	6444	5155	4897	9914	7930	7534	12888	10310	9795
<b>40</b>	7733	6186	5877	11897	9517	9041	15466	12372	11754
<b>50</b>	8893	7114	6758	13681	10945	10398	17785	14228	13517
<b>75</b>	11116	8893	8448	17101	13681	12998	22232	17785	16896
<b>100</b>	13117	10494	9968	20180	16144	15337	26234	20987	19938
<b>125</b>	15085	12067	11464	23207	18566	17637	30169	24135	22929
<b>150</b>	16894	13515	12840	25992	20793	19753	33789	27032	25680

## Please note the following:

- This is a non-binding indication of premiums normally charged by Camargue. Camargue is not on risk until it has confirmed so in writing.
- The inception date of cover is the date stated on the proposal form or the date that the proposal form reaches Camargue Underwriting Managers, whichever is later.
- The indemnity limits and premiums are inclusive of VAT and 20% broker’s commission.
- The premiums above are annual, the monthly premium is calculated by adding 10% and then dividing by 12. The above premium indications **only apply when:**
- The proposers paid and anticipated losses over the past 24 months do not exceed the premium indicated above.
- No insurer has previously cancelled or refused to renew the proposer’s EPL insurance or imposed special conditions.

## Important Information and notices

Company name: Camargue Underwriting Managers (Pty) Ltd (Reg No. 2000/028098/07)

Telephone number: 011 778 9140 | Fax number: 011 778 9199

Statutory disclosure and other important information about Camargue Underwriting Managers

and can be accessed at: <http://www.camargueum.co.za/product/employment-practices-liability-cover>

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# Employment Practices Liability Proposal Form

## Broker details

Company name:

Contact name:

Telephone number:

Email address:

## Proposer details

Name of proposer:

VAT number:

Registration number:

Physical address:

Code:

Telephone number:

Fax number:

Email address:

Nature of business:

What is the total monetary amount of all labour disputes referred to an external entity (e.g. CCMA) over the past 24 months?:

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Has any insurer declined a proposal, cancelled or refused to renew or imposed special conditions on the proposer's Employment Practices Insurance?

YES

NO

Total number of employees:

Permanent

Temporary

Contractors\*

Total

\* This includes all contractors except 'independent' contractors. An independent contractor would work for various different companies e.g. a plumber who fixes the customer's burst geyser and is paid once the job is done. An independent contractor would not be paid on a monthly or weekly basis in the way an employee would.

Required Indemnity Limit

R 500 000

R 1 000 000

R 2 000 000

Selected Excess

R 3 500

R 5 000

R 10 000

The proposer declares that the statements and particulars in this proposal form are true and that no material fact has been misstated, suppressed, or omitted. The proposer acknowledges that if this proposal is accepted by the company, the contract of insurance will be subject to the terms and conditions as set out in the policy wording issued by the company or as otherwise specifically varied by the company.

Name

Designation

Signature

Date DD/MM/YYYY

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