Employment Practices Insights:
Canadian Employment Practices Liability Loss Trends

Employers today face an increasingly dynamic and evolving employment landscape. Employment Practices Liability (EPL) insurance offers essential protection, helping employers navigate the complexities of this changing environment.

Although claims in Canada occur with considerable frequency and severity, there remains a widespread misconception, in part due to the unique nature of the Canadian employer-employee relationship, that they are uncommon.

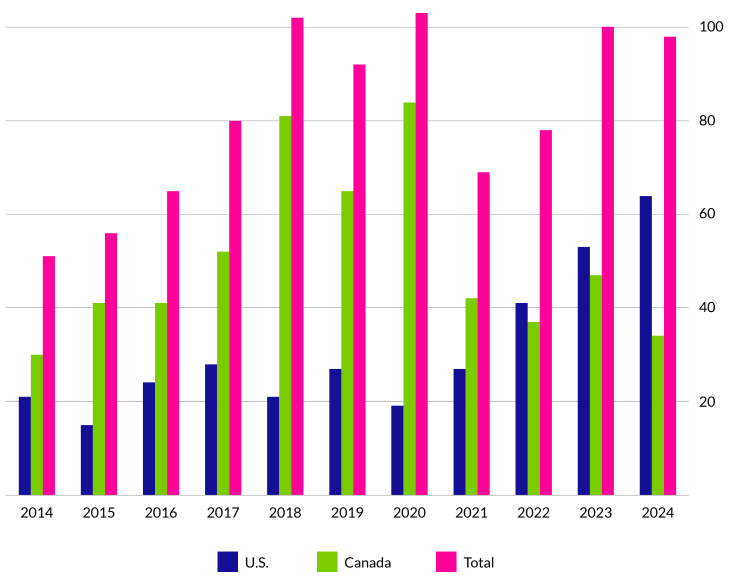
To support the Canadian industry with deeper insights, Chubb Canada conducted a comprehensive study of EPL claims reported between 2014 and 2024. The data presented below includes claims from a diverse range of entities, including public companies, private organizations, not-for-profit entities, and financial institutions.

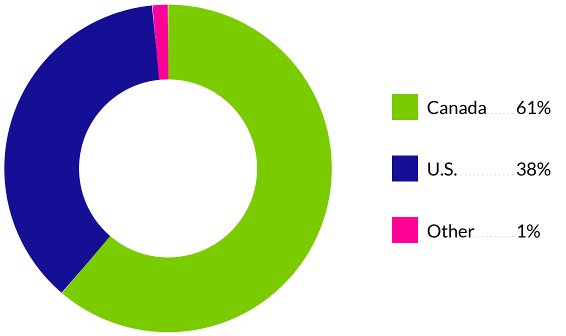
Claims Frequency

900+

During the study period, Chubb Canada received over 900 EPL claims - a frequency that significantly exceeds all other coverages in Financial Lines.

Notably, claims reported in the most recent five-year period (2020–2024) represent a substantial increase of 113% compared to the preceding five-year period.





Claims in Canada are Prevalent

Among the reported EPL claims, 61% originated in Canada, compared to those filed in the U.S.

Loss includes both Defence Costs and Indemnity

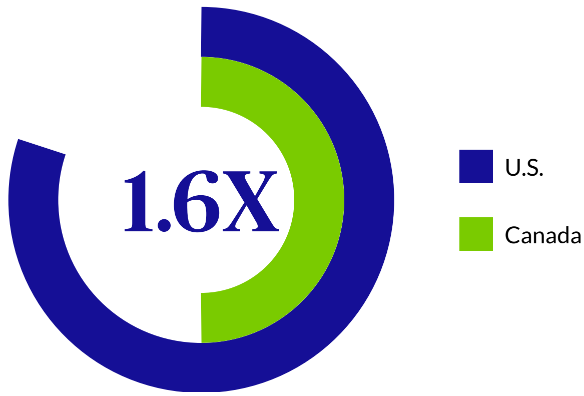
Throughout the study period, 65% of the total loss amounts paid were indemnity payments to claimants. A significant portion of these indemnity payments include notice payouts related to wrongful termination claims.

In Canada, employment is governed by a complex framework of contract and statutory law. Chubb Canada has specifically crafted our EPL policy to respond to this unique employer-employee relationship.

Average Losses

Since 2014, the average aggregated EPL loss above the retention has been $82,000. However, it is important to recognize that this figure represents an average and can vary significantly based on the complexity of the claim and the specific terms and conditions of the issued policy.

The average loss for claims filed in the U.S. was 1.6 times higher than that of claims filed in Canada, highlighting the more litigious nature of the U.S. legal environment.



Why Chubb?

Any organization can become the target of an EPL claim. As the complexities of the employment relationship continue to grow, more companies are discovering the challenges firsthand. Claims are increasingly prevalent in Canada, and even if your company is ultimately found innocent, defending against allegations of employment practices misconduct can be both time-consuming and costly, both from a financial and reputational standpoint. Which is why it is important to partner with an experienced insurance carrier. Operating in Canada for more than 30 years, we are one of the largest providers of EPL Insurance. Chubb's reputation for service and fair claims handling is known around the world. Brokers consistently rate Chubb's quality of service among the best in the insurance industry. In addition, Chubb has deep relationships with Canada's leading EPL law firms to provide our Insureds with the best defence.

Chubb has earned its leadership position in business insurance by consistently delivering innovative products, exceptional service, unparalleled underwriting expertise, and unflinching commitment to fair and prompt claims resolution. We are pioneers in the specialty insurance marketplace. Our financial strength rank among the best in the industry, as evidenced by ratings from leading independent insurance rating agencies.

For more information, please visit our website to learn about Chubb's EPL Loss Prevention Program, which includes:

1. ChubbWorks℠ Website
2. Loss Prevention Consultant Services
3. Toll-Free Hotline