

# THE IMPACT OF DEI ON RISK MANAGEMENT

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March 23, 2023

*Featuring:*

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Aon Risk Solutions

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National Association of REALTORS®

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South Carolina Association of REALTORS®



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# TOPICS

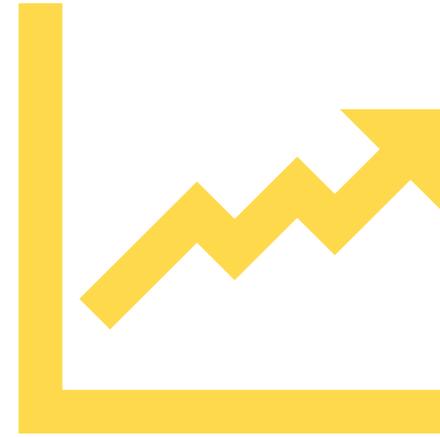
- Coverage review
- Industry outlook
- NAR initiatives and resources
- DEI in action
- Q & A

# WHY ARE WE HERE?



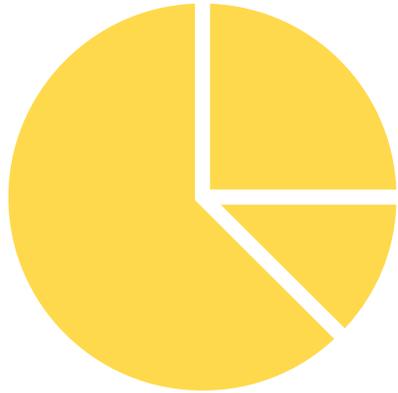
**EPL claims ranked  
#1 in claims filed  
for 2022**

*Data as of 12/1/22.*



**EPL claims  
increased 118%  
over 2021**

# WHY ARE WE HERE?



**EPL claims comprised  
40% of all claims  
in 2022**

*Data as of 12/1/22.*



**Discrimination &  
harassment more than  
half of all EPL claims**

# WHY ARE WE HERE?

**Diversity, Equity and  
Inclusion**



**Legal Actions and  
Insurance Claims**



**Discrimination and  
Harassment**

# ARE WE COVERED?

## NAR Institutes, Societies & Councils

- State and Local Chapters
- Subsidiaries

## State and Local REALTOR® Associations

- Charitable Foundations
- Political Committees
- Educational Endeavors

MLSs wholly-owned and operated by two or more Associations

# ARE WE COVERED?

**Directors & Officers**

**Committee Members**

**Employees**

*While acting within  
the scope of their  
duties on behalf of  
the insured entity.*

# ARE WE COVERED?

## Employment Practices Liability (EPL):

- Employment-related discrimination;
- Employment-related harassment, including gender, racial, religious, sexual orientation, pregnancy, disability, age, or national origin-based
- Harassment, or unlawful workplace harassment, including workplace harassment by any nonemployee;
- Abusive or hostile work environment;
- Wrongful dismissal or discharge or termination of employment, whether actual or constructive;
- Breach of an actual or implied employment contract;
- Wrongful deprivation of a career opportunity, wrongful failure or refusal to employ, promote, or grant tenure, or wrongful demotion;

# ARE WE COVERED?

## Employment Practices Liability (EPL), contd.

- Employment-related defamation, libel, slander, etc.;
- Wrongful failure or refusal to adopt or enforce workplace or employment practices, policies or procedures;
- Wrongful discipline;
- Employment-related wrongful infliction of emotional distress, mental anguish, or humiliation;
- Retaliation;
- Negligent evaluation; or
- Negligent hiring, supervision, retention or training.

**Claim limit is \$500,000 per claim.**

# ARE WE COVERED?

## Exclusions:

- Claims arising from Worker's Compensation Law, Unemployment Compensation Law, Employers Liability Law, Disability Benefits Law.
- Claims attributable to the administration of, participation in contributions to, or payments from any pension or benefits plan or trust fund.
- Claims for wages, salaries, commissions, fees, bonuses, promotions, profit sharing, pensions or other employee benefits earned in the normal course of employment.



**THOMAS HAMS, ESQ.**  
Managing Director, National EPLI  
Practice Leader  
Financial Services Group  
Aon Risk Solutions

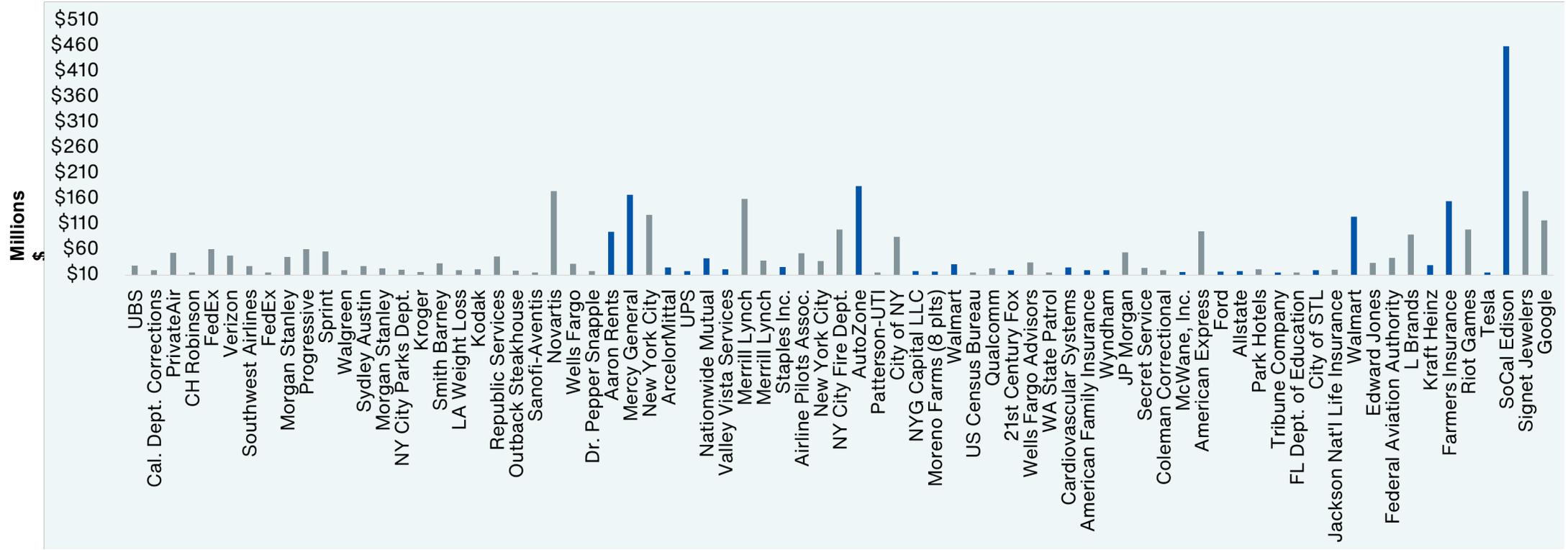


## Employment Claims Trends



# Employment Practices Liability

## Settlements and Verdicts above \$15M



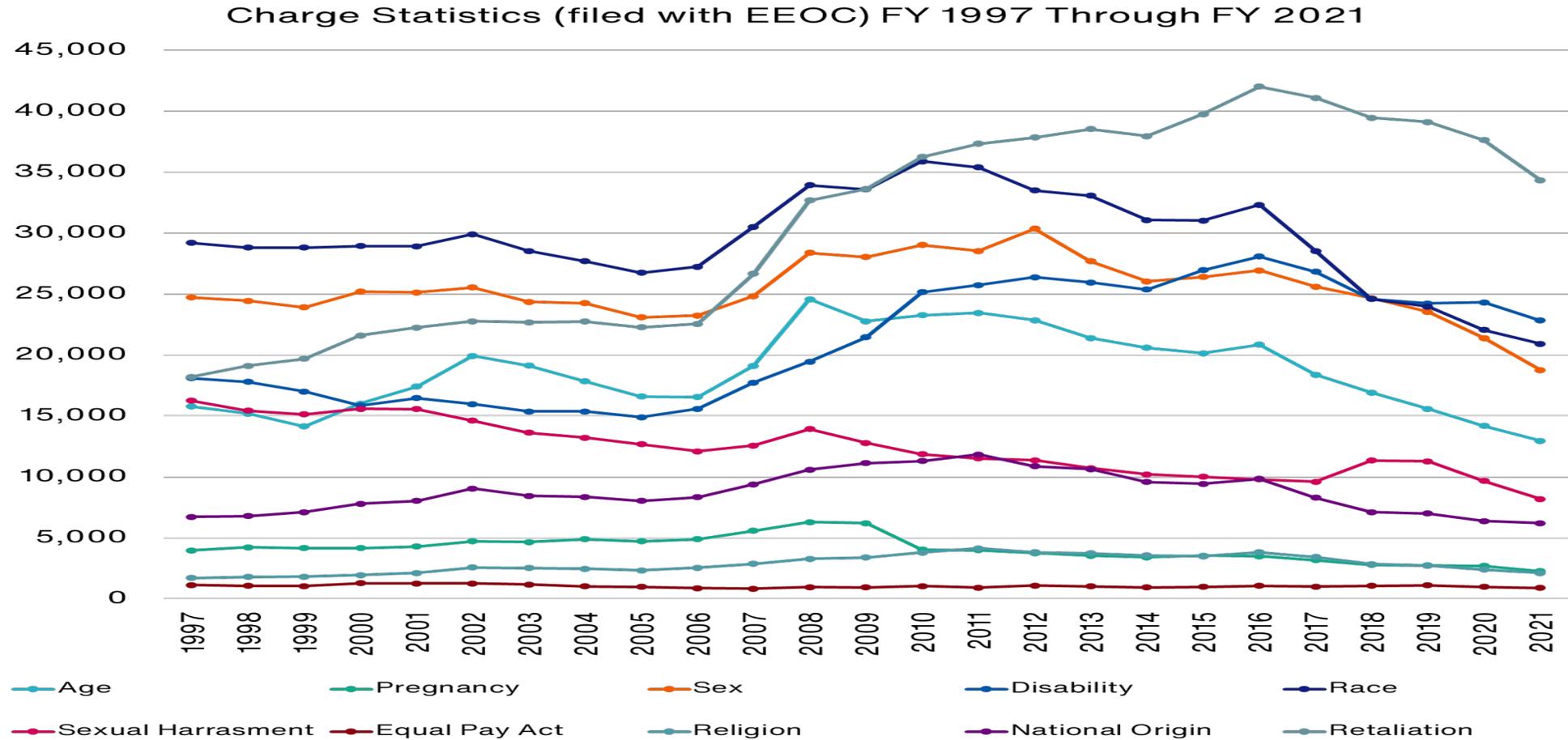
Mass Class  
Single Plaintiff

2006

2022

# Employment Practices Liability

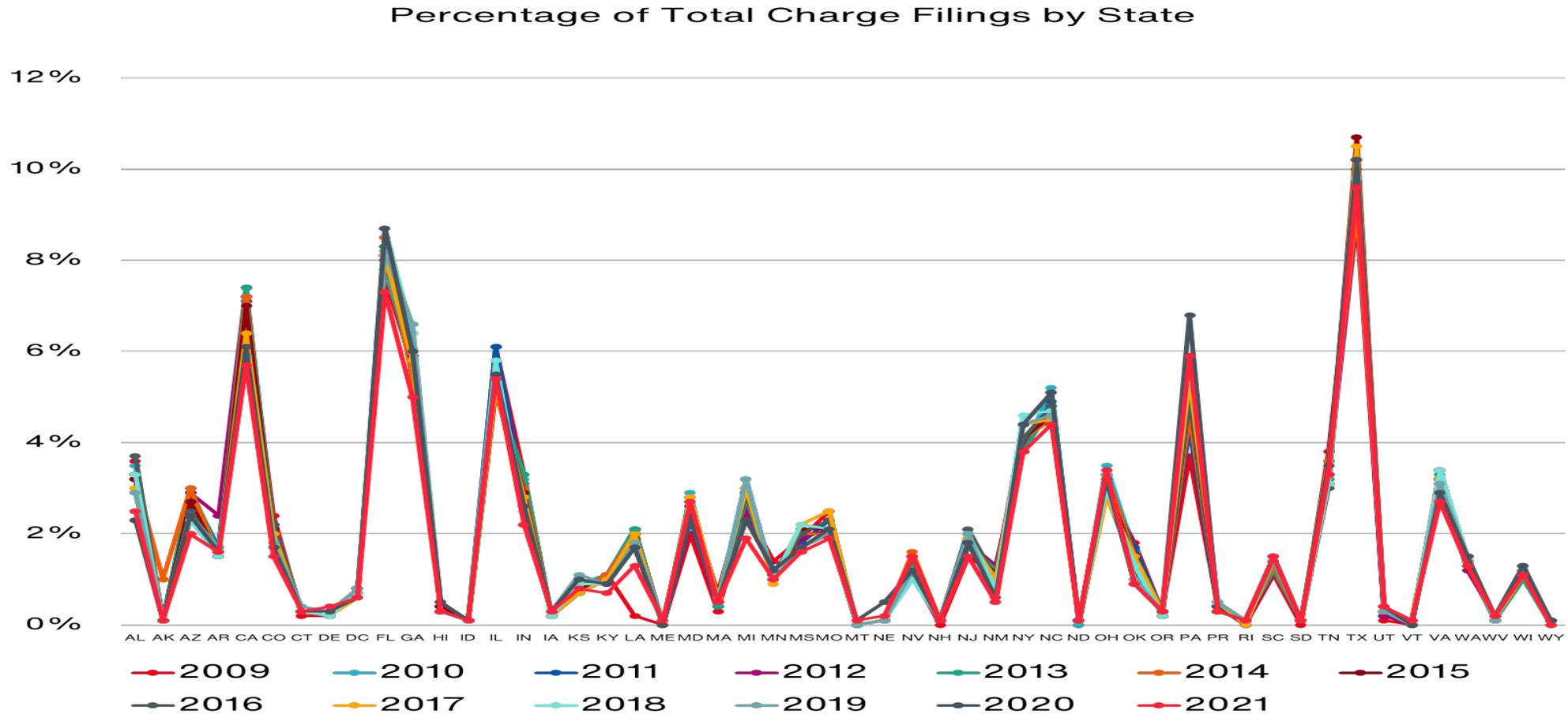
## Equal Employment Opportunity Commission Charge Patterns



Source: EEOC Charge Data System National Database: Charge Statistics (Charges filed with EEOC) FY 1997 Through FY 2020 | U.S. Equal Employment Opportunity Commission; <https://www.eeoc.gov/statistics/charge-statistics-charges-filed-eeoc-fy-1997-through-fy-2020>

# Employment Practices Liability

## Equal Employment Opportunity Commission: Charge Concentration by State



Source: EEOC Charge Data System National Database: Charge Statistics (Charges filed with EEOC) FY 1997 Through FY 2021 | U.S. Equal Employment Opportunity Commission; <https://www.eeoc.gov/statistics/charge-statistics-charges-filed-eeoc-fy-1997-through-fy-2021>

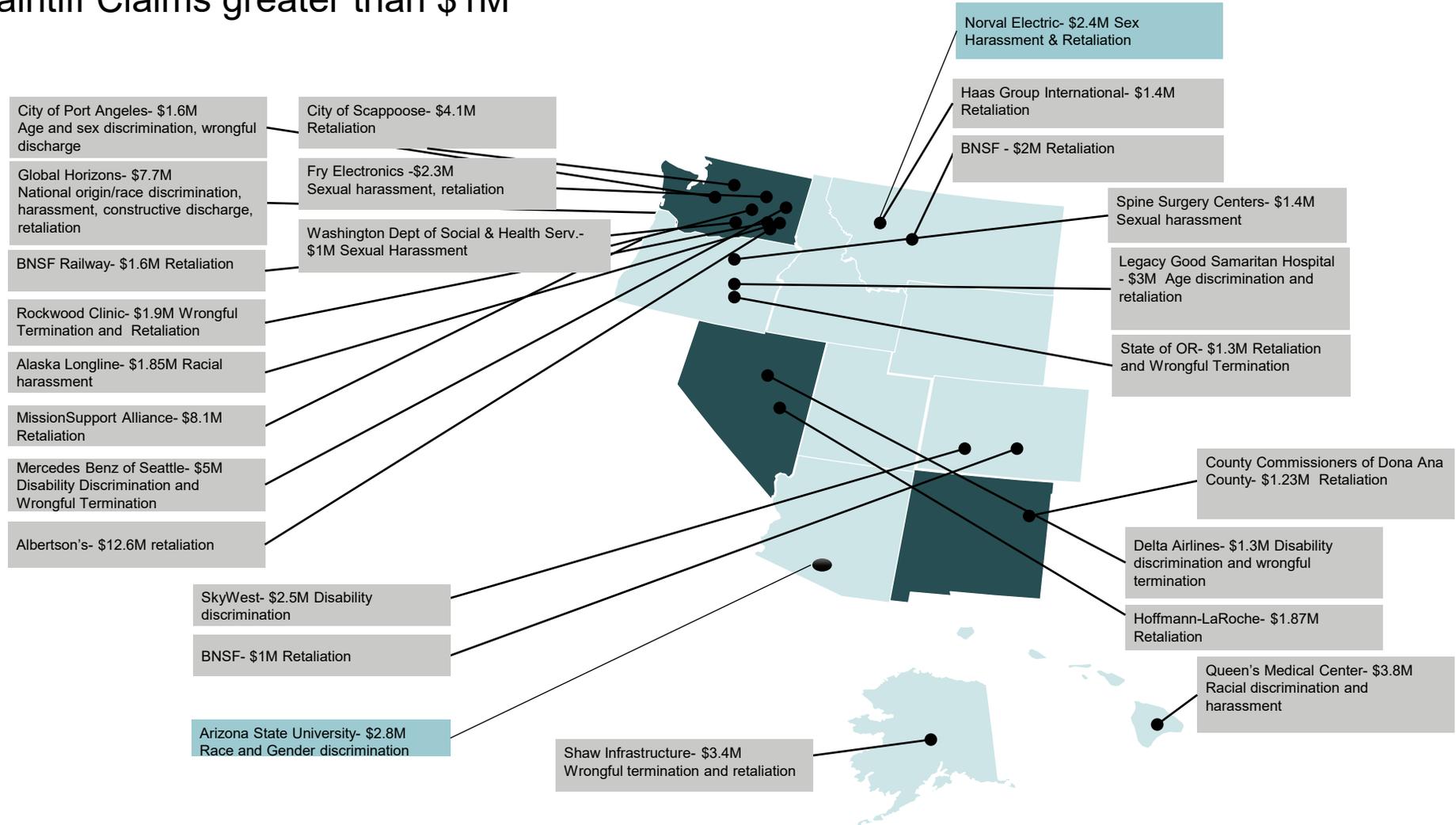
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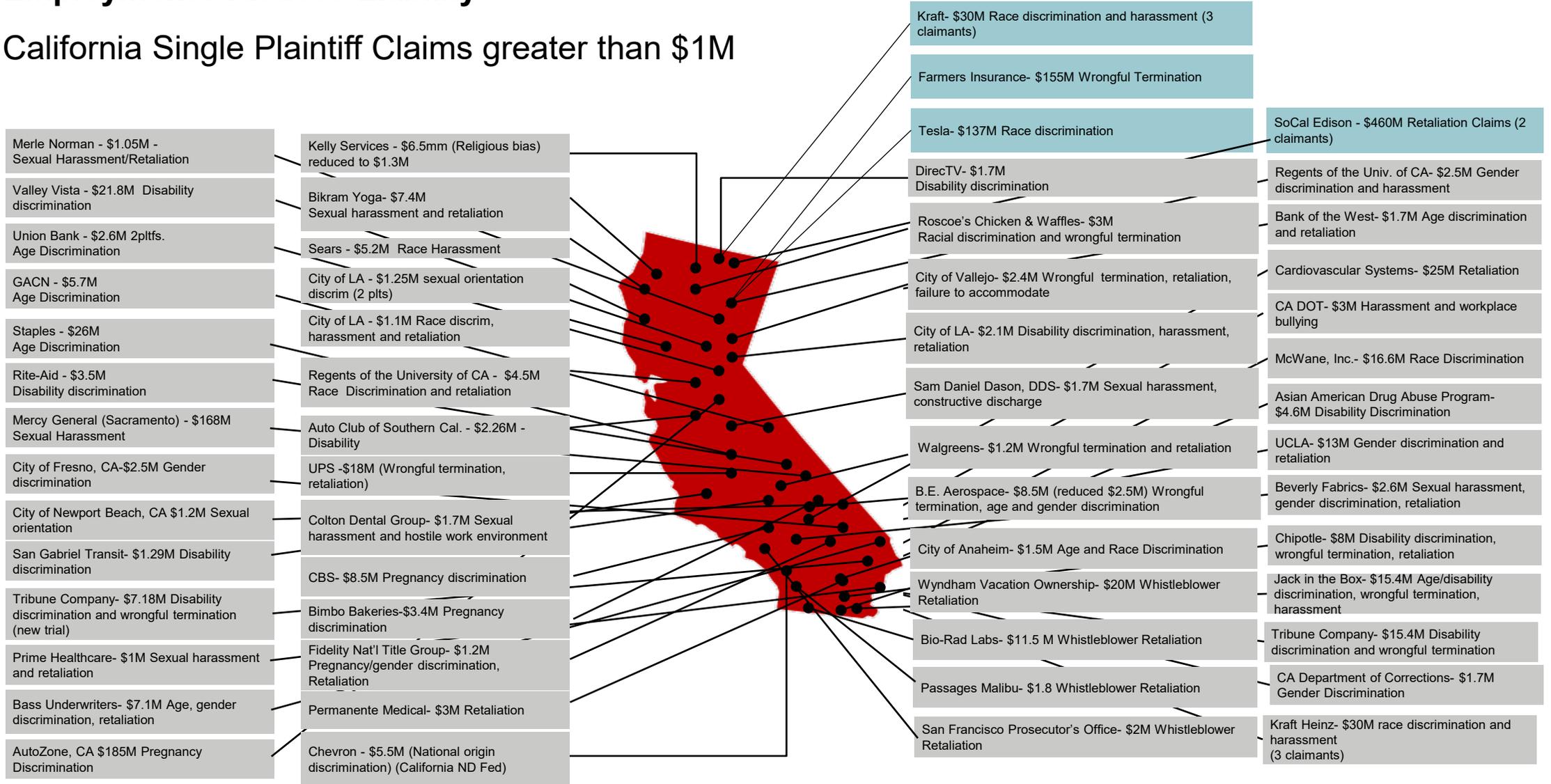
# Employment Practices Liability

## Single Plaintiff Claims greater than \$1M



# Employment Practices Liability

## California Single Plaintiff Claims greater than \$1M





# RYAN DAVIS

Director of Engagement,  
Diversity and Inclusion  
National Association of REALTORS®





# TIARA PITTS, ESQ.

Director of Fair Housing

South Carolina Association of REALTORS®





# RESOURCES

## **REMINDER**

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# **Excess insurance deadline is April 3, 2023**

- Professional Liability/Cyber Response
- Antitrust
- Crime Loss
- Patent Infringement

# QUARTERLY RISK REPORT

Available on  
[nar.realtor/nar-insurance-program](https://nar.realtor/nar-insurance-program)



## NEXT WEBINAR

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# ANTITRUST FOR ASSOCIATIONS

*Save the date!*

**June 22, 2023**

2 pm CT

## MORE INFORMATION

NAR INSURANCE PROGRAM

[nar.realtor/nar-insurance-program](https://nar.realtor/nar-insurance-program)

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# THANK YOU.

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THAT'S WHO WE 

 NATIONAL  
ASSOCIATION OF  
REALTORS®