

[Company Letterhead]

[Date]

[Insured Name]

[Address Line 1]

[City, State, Zip Code]

**RE: Notice of Wage and Hour Defense Costs Endorsement**

Dear [Insured Contact Name],

This letter serves to formally notify you that your Employment Practices Liability Insurance (EPLI) policy, number [Policy Number], has been amended to include a Wage and Hour Defense Costs Endorsement, effective [Effective Date].

**Coverage Overview:**

This endorsement provides coverage specifically for legal defense costs incurred in connection with claims alleging violations of the Fair Labor Standards Act (FLSA) or similar state and local laws. These claims typically involve disputes regarding:

- Unpaid overtime wages
- Minimum wage violations
- Employee misclassification (Exempt vs. Non-Exempt)
- Meal and rest break compliance

**Key Terms and Limitations:**

- **Sublimit of Liability:** This coverage is subject to a specific sublimit of \$[Amount] per claim/aggregate. This sublimit is part of, and not in addition to, the total Limit of Liability stated in your Policy Declarations.
- **Retention:** A separate deductible/retention of \$[Amount] applies to each Wage and Hour claim.
- **Defense Only:** Please be advised that this endorsement covers **defense costs only**. It does not provide coverage for settlements, judgments, back pay, liquidated damages, or penalties resulting from wage and hour disputes.

Please review the enclosed endorsement document carefully for full definitions, exclusions, and reporting requirements. This letter is a summary only and does not alter the legal terms of your insurance contract.

If you have any questions regarding this coverage, please contact your insurance representative at [Phone Number].

Sincerely,

[Name of Authorized Representative]

[Title]

[Insurance Company Name]