

Article

State of the EPL Market 2026

The Latest Shifts: U.S. Employment Practices Liability Market

The business liability landscape is constantly shifting, creating new exposures for senior executives at organizations of all sizes. Our US Executive Risk team share the latest on EPL.

The U.S. EPL landscape continues to develop against a backdrop of regulatory change, shifting workforce dynamics and increasing claim severity. While the insurance market itself remains relatively stable, the risk environment for employers is becoming more nuanced.

EPL Risk Trends

Harassment, discrimination and retaliation remain the most common drivers of EPL claims. At the same time, emerging workplace issues are adding complexity.

- Wage transparency legislation, now enacted across many states, has introduced compliance challenges for multi state employers. Differences in regulatory requirements have created uncertainty and, in some cases, new areas of dispute.
- DEI related enforcement activity has also increased, with greater scrutiny of employee resource groups, hiring practices and internal programmes.
- Return to office mandates continue to generate friction as employers balance operational needs with employee expectations and accommodation requirements.
- Artificial Intelligence is already having an impact on EPL risks

through both workforce restructuring and cost-cutting efficiencies. The use of AI within hiring processes is also seeing allegations of bias.

Social inflation continues to drive higher claims costs, settlements and defense resulting in record settlements and nuclear verdicts.

Market Landscape

By the end of 2025, the EPL market had largely moved towards a flat rate environment, reflecting a focus on stability and consistency in the face of shifting claims environment.

Looking Ahead - Risk Management is key

As regulatory scrutiny and workplace expectations continue to evolve, HR and Risk Management strategies should remain on top of these new challenges, working with counsel and insurance partners to find the right approach to support employees. They can utilize expert service providers who understand up-to-date regulations, help generate employee handbooks for each state, and provide policies tailored made for the company and issue.

These service providers, often in partnership with the insurance carrier, can support companies in new ways to prepare them for the challenging landscape.

With a range of **executive risk products and services**, backed by experienced underwriting and claims expertise, our team ensures that organizations and their executives are resilient against the shifting sands of business liability landscape.

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