



Wage & Hour Insurance: A Strategic Solution for Today's Evolving Labor Risks

In the ever-shifting landscape of employment law, wage and hour compliance has transformed from a behind-the-scenes human resources concern into a front-and-center risk management issue.

With new legislation, tighter regulations and a surge in employee litigation, large employers are finding themselves increasingly vulnerable. Enter wage and hour insurance—a targeted solution designed to mitigate the financial fallout from these mounting risks.

CONTACT

To learn more about how Amwins can help you place coverage for your clients, reach out to your local Amwins broker.

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The rising stakes

In 2025, numerous U.S. states and cities have implemented [minimum wage increases](#), with some reaching more than \$17 per hour. Meanwhile, [federal overtime regulations](#) continue to evolve, and [definitions surrounding independent contractors](#) are being reexamined by the Department of Labor. These changes, paired with ongoing increases in litigation, have placed employers under immense scrutiny.



Common claims now include:

- Failure to pay overtime
- Meal and rest break violations
- Off-the-clock work
- Misclassification of independent contractors
- Timekeeping errors such as clock rounding

These are not abstract risks. Companies have paid tens or even hundreds of millions in settlements, including: [\\$72M for time clock rounding violations](#), [\\$228M for contractor misclassification](#) and [\\$100M due to meal and rest break violations](#).

In recent years, settlements have cost companies millions of dollars:



\$72M

time clock rounding
violations



\$228M

contractor
misclassification



\$100M

meal + rest break
violations



Bermuda market stands out

While many insurers are hesitant to fully underwrite wage and hour exposure, Bermuda has emerged as a leader in this space. It is currently the only market offering comprehensive defense and indemnity policies for these types of claims.

Designed for businesses with medium to large employee headcounts, these policies carry a \$1M minimum retention and offer significant protection for large-scale legal exposure. With eight active markets and over \$100M in available capacity, Bermuda-based solutions are reshaping how companies manage this evolving risk.

What policies offer

Wage and hour insurance available in Bermuda is tailored to today's complex employment environment. Coverage highlights include:



Statutory and
common law claims
defense



Settlements, statutory
damages and punitive
damages where
allowed



Claims brought
by employees,
contractors or
government
regulators



Risks associated
with hybrid, gig and
remote work



Claims-reported
policy structure with
bordereau reporting

Carriers agree that with an aggressive plaintiffs' bar targeting all industries, wage and hour litigation is no longer a niche risk - it is a boardroom issue that must be addressed. And, when combined with the fact that carriers are seeing increased activity around misclassification, unpaid overtime and break violations, businesses must also regularly evaluate wage policies and engage external legal expertise to stay compliant. With underwriters so keenly focused on prevention, this is no longer negotiable.



Takeaway

For companies with large workforces, wage and hour insurance is not an option—it's essential. As regulatory scrutiny and employee awareness grow, so does the risk of costly disputes. By partnering with a broker that understands this space, businesses can turn an unpredictable threat into a well-managed part of their overall risk strategy.

Amwins Bermuda Limited provides comprehensive access to Bermuda and other international markets – delivering our clients insurance capacity and solutions across various coverage lines and industry segments.

In the pursuit of creative and flexible ways to manage risk and protect your client's assets, you can think of us as a provider of solutions. With more than 30 years of experience in the international marketplace and an expansive network of relationships, we can secure capacity and solutions for your most complex risks.

Insight provided by:

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