

Employment Practices Liability+



Business owners have many responsibilities, including oversight of all employment practices. However, it's not always easy to identify or anticipate what can trigger a wrongful employment practice claim. Here's a quick look at some events that could lead to an employment practices claim.

● **Discrimination and harassment – \$120,000**

The plaintiff, a graphic designer, resigned her employment claiming that she had been subjected to sexual harassment and gender discrimination by two managers. The insured performed a thorough investigation and terminated one of the two managers involved. The evidence collected included a long series of sexually explicit emails, jokes and comments in the workplace. The claimant was making \$40,000 per year. Travelers paid \$50,000 to defend the case before settling for \$70,000.

● **Sexual harassment – \$95,000**

A receptionist sued the company she worked for, alleging sexual harassment and retaliation. Specifically, she claimed that her supervisor had sexually harassed her and that, after she complained, she was moved to a less-desirable position and ultimately terminated. Other employees confirmed the supervisor had a tendency to make inappropriate and lewd remarks. Travelers paid \$65,000 to settle the case, but only after paying \$30,000 in defense expenses.

● **Discrimination – \$140,000**

The Equal Employment Opportunity Commission (EEOC) filed a civil complaint against the insured on behalf of two former employees. The EEOC found each party's charge credible. Specifically, the claimants alleged that they were retaliated against and/or demoted for reporting, protesting and/or objecting to discriminatory treatment. In addition, one claimant alleged her disability was the subject of inappropriate jokes and conversations. Travelers paid \$50,000 in legal fees and settled the case for \$90,000.

● **Discrimination and retaliation – \$100,000**

Three certified nursing assistants filed EEOC charges and later a lawsuit alleging harassment, race discrimination, retaliation and wrongful termination in violation of public policy. They alleged that their supervisor had made inappropriate comments relating to race and that after complaining about the comments they were terminated. All three claims settled during a mediation for a total of \$100,000.

● **Unlawful termination – \$135,000**

A former employee sued a manufacturer. The plaintiff, an employee of 5 years, claimed that his job was terminated without warning following a vacation and subsequent illness. The plaintiff further claimed he was terminated because the insured disliked minorities. Travelers paid \$45,000 in defense fees before settling the case for \$90,000.

● **Sexual harassment – \$70,000**

An applicant sued the owner-operator of a franchised restaurant, alleging that while she was at the establishment, and after completing her application, she was harassed by the employees and managers. The matter was tried in front of a jury, who found in favor of the insured. Legal fees paid by Travelers exceeded \$70,000.

These examples are illustrative only. In the event of a claim, coverage will be determined based on the facts and circumstances of the filed claim, and the actual policy terms and conditions.