

EMPLOYMENT PRACTICES LIABILITY INSURANCE



Claim Scenarios

Sexual Harassment

A female employee of the insured company filed a charge of sexual harassment with the Equal Employment Opportunity Commission (EEOC). She alleged the Chief Operating Officer of the company sexually harassed her for 9 months until she resigned due to the harassment. The company conducted an independent internal investigation to determine merit of the claim and defense counsel was retained. Settlement was reached in private mediation without trial for \$125,000. Defense costs of \$26,000 were paid to defense counsel. The total cost of the claim was \$151,000.

Age Discrimination and Wrongful Termination

An 83-year-old female employee of the insured company filed a charge of age discrimination with the Civil Rights Commission. She alleges that the company terminated her employment based on age. No severance was offered and no termination notice was provided after 50 years of service by the claimant. Defense counsel was retained. Settlement was reached in private mediation without trial for \$600,000. Defense costs of \$100,000 were paid to defense counsel. The total cost of the claim was \$700,000.

Wage & Hour Dispute

A non-exempt hourly employee of the insured company filed a lawsuit alleging she was not paid for overtime worked during her employment. Defense counsel was retained. The employer's records were researched and reviewed. Settlement was reached without mediation or trial for \$8,000. Defense costs of \$12,600 were paid to defense counsel. The total cost of the claim was \$20,600.

Discrimination, Wrongful Termination, Retaliation

A 64-year-old man with national origin outside the United States alleges he was terminated based on his age, religion, and national origin as well as retaliation. The employee was terminated because of his plagiarizing of marketing materials and was not offered severance. The demand for settlement was excess of \$300,000. Defense counsel was retained. Employer records were researched and reviewed. A motion for summary judgment was filed and the case was dismissed with prejudice due to the claimant's own responsibility in his termination. No loss settlement paid to the claimant. Defense costs of \$115,000 were paid to defense counsel.

Discrimination, Wrongful Termination, Retaliation

A former female employee filed a charge of gender discrimination and retaliation with the EEOC. The former employee was terminated based on poor performance and a clash of management styles, but she alleged the company engaged in a pattern of practice of gender discrimination against women, both in treatment and in pay. The former employee alleged she was fired when she complained. Defense counsel was retained. Employer records were researched and reviewed. The investigation determined no disparate treatment occurred, but the cost of trial would be high. Settlement was reached in private mediation without trial for \$97,500. Defense costs of \$97,000 were paid to defense counsel. The total cost of the claim was \$194,500.

Racial and Disability Discrimination, Retaliation, Breach of Implied Contract

A female employee took 12 weeks of maternity leave at the time of childbirth with prior approval by the company. The employee did not return to work and requested additional leave, but it was not approved by the employer. The employee was subsequently dismissed when she did not return to work. She filed an EEOC complaint for discrimination and retaliation. Defense counsel was retained. Employer records were researched and reviewed reflecting an adequate paper trail. Settlement was reached in private mediation without trial for \$90,000. Defense costs of \$140,000 were paid to defense counsel. The total cost of the claim was \$230,000.

Discrimination, Wrongful Termination, and Retaliation

A 22-year-old female employee of the insured company filed a charge of gender, racial, and age discrimination with the Civil Rights Commission. She alleges that the company wrongfully terminated her employment on that basis. The insured company had witnesses to defend against the allegations. Defense counsel was retained. Settlement was reached after two sessions in private mediation without trial for \$15,000. Defense costs of \$36,000 were paid to defense counsel. The total cost of the claim was \$51,000.

GET IN TOUCH: