



# Employment Practices Liability

## Claim Scenarios

**Employment Practices Liability** coverage protects clients from these exposures, no matter the class of business. A charge can be brought by applicants, employees, and even customers alleging discrimination, harassment, wrongful termination or other wrongful employment acts.

### Discrimination: Age

A mid-sized insurance agency terminated an administrative assistant for ongoing poor job performance. The agency attempted to work with the employee to improve performance issues; however, the employee continued to make serious errors. After terminating the employee, the firm was surprised to find that the employee filed a claim alleging age discrimination. The agency had proper documentation indicating repeated poor job performance that assisted in the defense and settlement.

**Settlement: \$15,000 & Defense Expense: \$8,000**

### Retaliation

A construction company was sued by an employee who was terminated after the company learned that he had cancer. The employee alleged retaliation and disability discrimination for his condition in violation of the Americans with Disability Act (ADA).

**Settlement: \$100,000 & Defense Expense: \$45,500**

### Discrimination: Gender

A small gift and flower shop owner was sued by an employee for pregnancy discrimination and wrongful termination. The employee alleged that the shop owner had repeatedly treated her differently as a result of her gender and condition. Several fellow employees attested to the treatment by the employer during the investigation.

**Settlement: \$30,000 & Defense Expense: \$12,000**

### Wrongful Termination

An insurance agency filed suit against a former employee who resigned and attempted to take clients from the business. They received a counter claim from the former employee alleging wrongful termination and retaliation. The counter claim was dismissed in Summary Judgement.

**Settlement: \$1,000 & Defense Expense: \$105,576**

### Discrimination: Race

A small business beauty salon owner placed a help wanted ad in a local newspaper for a full-time stylist position. The response to the ad was positive, with many highly qualified candidates responding. The salon owner decided to interview five candidates for the position and hired the candidate with the most experience. An African-American applicant was interviewed, but was not selected. She alleged race discrimination in the hiring practices of the beauty salon even though her qualifications and experience did not match those of the chosen candidate.

**Settlement: \$1,000 & Defense Expense: \$5,000**

### Harassment: Sexual

A female employee at a manufacturing company alleged that she, as well as other female employees, had been routinely subjected to sexually inappropriate comments by their supervisor. When questioned, the supervisors admitted engaging in playful banter with female employees, but denied any sexual harassment.

**Settlement: \$40,000 & Defense Expense: \$12,000**

### Third Party Discrimination: National Origin

A restaurant was sued by a customer who alleged that he was refused service because of his national origin. The restaurant claimed that the customer came in after closing, while seated customers were finishing their meals.

**Settlement: \$2,000 & Defense Expense: \$25,000**

