Even an organization with good human resources policies and procedures in place can be sued. An Employment Practices Liability policy helps protect company assets from employee lawsuits alleging discrimination, harassment or wrongful termination and other employment-related claims.

### Claim Scenarios

**Racial Discrimination**

A bank’s head teller was who fired because of performance issues later filed a notice of charges with the Equal Employment Opportunity Commission (EEOC) for racial discrimination. The EEOC launched an investigation to determine probable cause. Defense and settlement expenses were approximately $250,000.

**Sexual Discrimination**

A 43-Year-old female loan officer filed suit against a bank, alleging that despite her excellent job performance evaluations, the bank negligently failed to promote her for 17 years. She further contended that the bank retaliated against her after she filed a sexual discrimination complaint with the human resources department and that she had suffered emotional distress. Legal fees amounted to $75,000 in legal fees before agreeing on a $275,000 settlement.

**Pregnancy Discrimination**

A female employee alleged wrongful termination, pregnancy discrimination, and intentional infliction of emotional distress in violation of Title VII of the Civil Rights Act, Americans with Disabilities Act, and state statutes. She alleged that, despite excellent performance evaluations, she was terminated after being absent from work for three days over the course of one month due to pregnancy complications. The company incurred $50,000 in legal fees and $150,000 in settlement costs.

**Retaliation**

Four former employees of a bank alleged that the bank retaliated against and/or demoted them for reporting, protesting and/or objecting to discriminatory treatment. In addition, one of the former employees alleged her disability was the subject of inappropriate jokes and conversations. The Equal Employment Opportunity Commission (EEOC) filed a civil complaint against the bank on behalf of the former employees. The EEOC found each party’s charge credible. The company incurred $50,000 in legal fees and $235,000 in settlement costs.
Wrongful termination

A former vice president of sales and marketing at a technology company claimed that items promised to him (including an admin, car allowance, etc.) were taken away when he failed to meet sales targets and he was wrongfully terminated. The employee sued for breach of contract and sought to recover benefits, punitive damages, interest and fees in excess of $250,000.

Breach of contract

A former chief business officer claimed her company breached her employment agreement, misled her regarding the financial condition of the company and created a hostile work environment in which clients were taken to strip clubs. She sued the company for discrimination, fraud, misrepresentation, breach and failure to pay wages in the amount of $350,000.

Website Access under the ADA

A non-profit college which operates a campus bookstore has an online purchasing component that allows for books to be bought and then picked up at the bookstore. Two sight impaired students sent a letter, through an attorney, noting that the website was not accessible to them and it did not meet website access guidelines. In addition to the college, the students filed suit against the board of trustees for failing to make the website accessible to the handicapped. The college incurred $75,000 in defense expenses, the parties participated in mediation and the college agreed to make the appropriate changes to the website.

Family Medical Leave Act Violation

A non-profit educational institution terminated a human resources employee after her two children required home care after having experienced medical incidents. The HR employee took Family Medical Leave (FMLA) after the first child became ill. When her second child became ill, she sought leave beyond the allotted leave period. There was a dispute about whether the necessary paperwork was completed in time, and she was terminated. The former employee sued and alleged violation of the Family Medical Leave Act (FMLA). The case settled for $390,000 with an additional $40,000 in defense expenses.

Employment-Related Misrepresentation

Three former deans alleged they were recruited to work at a new division of their non-profit college. They were terminated approximately six months later, due to a lack of funding. The individuals brought a claim for employment misrepresentation alleging that when they were hired there was insufficient funding in place for their positions. While the individuals all found subsequent employment, they earned less at their new places of employment. This claim was resolved for over $150,000.

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