

Employment Practice Liability Insurance

Claims Scenarios

1. Hostile Work Environment:

An airline pilot claimed there were derogatory statements posted by co-workers on the "Crew Members Forum" – an **online company bulletin board accessible to all pilots and crewmembers.**

The airline denied responsibility, arguing that the harassment occurred outside the physical workplace.

Although employers are not required to monitor all private communications between employees, **they do have a duty to stop harassment in settings related to the workplace if they know or have reason to know about it.**

The pilot sued the airline and other pilots for defamation and emotional distress. **The court decided that the employer was liable because this online forum was a setting related to the workplace.**

Total defense costs and settlement exceeded \$600,000.

2. Wrongful Termination:

An executive of a manufacturing company filed a suit against the company for wrongful termination and intentional infliction of emotional distress.

The plaintiff, a former Chief Operating Officer, made statements that the company failed to pay an employee overtime and terminated the employee for filing a complaint.

The plaintiff alleged that although the company advised him that his termination was due to performance problems, he was actually terminated in retaliation for the honest statements he made in connection with a fellow employee's termination.

Total defense costs and settlement exceeded \$500,000.

3. Sexual Harassment

A **female employee** working for a service company alleged that several employees made **inappropriate sexual comments** towards her, including suggestions that she was having a **sexual relationship with another employee.**

In addition, she also alleged that her boss and co-workers **asked her inappropriate questions concerning her personal life.**

The plaintiff alleged that after she complained, her manager engaged in a practice of retaliation.

She contended that she was excluded from certain meetings, taken off certain projects and assignments, treated rudely and received a negative evaluation.

Total defense costs and settlement exceeded \$550,000.

4. Retaliation

The plaintiff alleged **she had her employment terminated because she testified on behalf of another co-worker who brought a separate action against the company.**

Plaintiff alleged that this was a violation of her employment contract, which provided that she could only be terminated for good cause.

Plaintiff asserted cause of action for wrongful termination, breach of contract, and retaliation.

Total defense costs and settlement exceeded \$1200,000.

5. False Representation

In a cross-complaint, a doctor alleged a breach of his employment agreement. Specifically, he alleged that the company failed to pay his wages, provide him with a decent patient load, adequate office space, and the proper support staff needed to perform his job duties.

The doctor sued, claiming breach of contract, misrepresentation, unfair competition, and failure to pay wages.

Total defense costs and settlement exceeded \$3500,000.

For more information:

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