CHUBB

Employment Practices Liability Claims Scenarios

Here are examples of recent claims scenarios to give you a sense for our capabilities:

Discrimination Based Upon Disability

Company	Privately Held
Number of employees	Approximately 400
Annual Revenue	Approximately $80,000,000
Industry	Entertainment
Location of Loss	California, USA
Scenario	A contract employee of our Insured was terminated. As a result of the termination, the individual filed a complaint in the state of California, against their former employer and supervisors, alleging discrimination, breach of contract, harassment, and retaliatory behaviour due to taking leave and for having a disability. The employee had bipolar disorder and took intermittent leaves for doctor appointments. The claim alleged that the company and supervisor's actions in terminating the employee violated the California Family Rights Act and the Fair Employment and Housing Act that provide job-protected leave and safeguard employees of a protected class from discrimination.
Solution	Approximately $3,000,000 in indemnity and $460,000 in defence costs were paid.

Discrimination Based Upon Race

Company	Privately Held
Number of employees	Approximately 7,000
Annual Revenue	Approximately $1,500,000,000
Industry	Manufacturing
Location of Loss	Missouri, USA
Scenario	An employee of Company A filed a complaint alleging they were wrongfully terminated based on discrimination. The employee had been employed for over a decade and was accused of using profanity in the workplace. Despite having recorded evidence to dispute the accusation, the employee was terminated. The employee alleges these circumstances arose due to their race. The employee was reinstated but continued to face harassment and retaliatory behaviour, creating a hostile work environment. The complaint was filed against the employer and two employees, a supervisor and the Human Resources Manager.
Solution	Approximately $80,000 in indemnity and $160,000 in defence costs were paid.

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Sexual Harassment

Company	Privately Held
Number of employees	Approximately 200
Annual Revenue	Approximately $135,000,000
Industry	Retail
Location of Loss	New York, USA
Scenario	A female employee filed a demand letter against her employer and its CEO, alleging sexual assault, battery, and harassment at a work-related after party at a night club. She also alleged that she suffered from gender discrimination and that the employer did not follow correct protocol and did not have a proper anti-harassment policy in place at all relevant times.
Solution	Approximately $430,000 in indemnity and $77,000 in defence costs were paid.

Discrimination Based Upon Sexual Harassment

Company	Privately Held
Number of employees	Approximately 300
Annual Revenue	Approximately $70,000,000
Industry	Manufacturing
Location of Loss	Vermont, USA
Scenario	Company A was in the process of buying Company Z. It was alleged that an offer of employment of an employee of Company Z was withdrawn by Company A in retaliation for complaints made by the employee arising out of the inappropriate behaviour by Company Z's CEO at a team dinner to celebrate the acquisition. It was alleged that a few weeks after the employee complained about the offensive sexual comments and ethnic slurs made by the CEO during the event and stating an unwillingness to accept or participate in such a discriminatory and harassing culture, the offer was rescinded.
Solution	Approximately $270,000 in indemnity and $26,000 in defence costs were paid.

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Discrimination Based Upon Workplace Injury

Company	Privately Held
Number of employees	Approximately 750
Annual Revenue	Approximately $320,000,000
Industry	Utilities
Location of Loss	Texas, USA
Scenario	An employee alleged that they were discriminated against and harassed after suffering an on-the-job injury. The employee also alleged that their employment was terminated as a result of retaliation after having filed an injury claim and seeking workers' compensation benefits. The employee proceeded to file a complaint for retaliatory conduct and wrongful termination.
Solution	Approximately $820,000 in indemnity and $25,000 in defence costs were paid.

Termination

Company	Privately Held
Number of employees	Approximately 420
Annual Revenue	Approximately $30,000,000
Industry	Entertainment
Location of Loss	Canada
Scenario	It was alleged that the newly appointed CFO of Company A was terminated after having reported financial irregularities to the CEO. The employee claimed that the CEO was the one responsible for the irregularities and the discovery of these discrepancies revealed that fraudulent activities were occurring. The employee was initially terminated without cause and then with cause, which left them with no payment in lieu of notice. The employee filed a lawsuit for wrongful dismissal.
Solution	Approximately $30,000 in indemnity and $150,000 in defence costs were paid.

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Sexual Harassment

Company	Privately Held
Number of employees	Approximately 220
Annual Revenue	Approximately $35,000,000
Industry	Food Products
Location of Loss	Canada
Scenario	An employee alleged that she was sexually harassed and assaulted numerous times, for over a year, by a male executive of the company. The employee ultimately resigned but allegedly suffered from extreme depression and anxiety. She was eventually deemed totally disabled and unable to work. Despite the incidents having taken place over 20 years prior to the claim, given there is no limitation period for claims of sexual assault, the employee brought a claim against the company and the executive who sexually assaulted her.
Solution	Approximately $157,000 in indemnity and $8,000 in defence costs were paid.

Termination

Company	Not for Profit
Number of employees	Approximately 30
Annual Revenue	Approximately $5,000,000
Industry	Member Organization
Location of Loss	Canada
Scenario	During an annual budget process, the CEO of Company A presented targets that the board allegedly contested. They asked for amended projections that would reflect a more optimistic outlook, however the CEO refused to adjust the budget as they felt it would be unrealistic and would harm the company, therefore breaching their fiduciary duties owed to the company. The company advised the CEO that they would be terminated and asked them to remain in their position for a number of months until a replacement was found. The CEO argued that their written employment contract required the company to provide a longer notice period. The company then allegedly terminated the CEO for cause. The CEO claims that the company manufactured allegations of insubordination to get out of their contractual obligation and sued for breach of contract and wrongful dismissal.
Solution	Approximately $265,000 in indemnity and $120,000 in defence costs were paid.

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Termination

Company	Privately Held
Number of employees	Approximately 780
Annual Revenue	Approximately $630,000,000
Industry	Entertainment
Location of Loss	Canada
Scenario	An employee that was terminated brought a claim for wrongful dismissal. The employee was a tenured individual and high wage earner. They ultimately sued for breach of contract, alleging aspects of their employment contract violated the provincial employment standards act for various reasons, and alleged they were not paid adequately in lieu of notice.
Solution	Approximately $265,000 in indemnity and $20,000 in defence costs were paid.

Termination

Company	Privately Held
Number of employees	Approximately 135
Annual Revenue	Approximately $40,000,000
Industry	Wholesale Trade
Location of Loss	Canada
Scenario	An employee was the VP of Finance. It was alleged that the employer faced some financial challenges and the President expressed to the employee that he had lost faith in them and would be terminated. It was alleged that the employee's actions or omissions lead to the financial issues and the employer suspected them of misconduct. In light of the employer's position, they proposed a termination offer that was of lesser entitlements than what was stipulated in the employee's employment contract. The employee was to remain in their role for a set time before retiring. Shortly after agreeing to a termination package agreement, the employer rescinded their offer and terminated the employee for cause, alleging new information was discovered. It was alleged that the employer did not provide termination notice or other amounts due and was therefore in breach of their statutory obligations. The employee sued for breach of contract and breach of the company's obligations of good faith and fair dealing.
Solution	Approximately $200,000 in indemnity and $75,000 in defence costs were paid.

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Class Action Claim Based Upon Wrongful Dismissal

Company	Privately Held
Number of employees	Approximately 500
Annual Revenue	Approximately $200,000,000
Industry	Retail
Location of Loss	Canada
Scenario	Our Insured was placed into stay of proceedings pursuant to the Company's Creditors Arrangement Act (CCAA). An employee of our Insured alleged that they were wrongfully dismissed and did not receive adequate notice or pay-in-lieu of notice. A number of other employees brought forward similar allegations, leading to a class action lawsuit.
Solution	Approximately $385,000 in indemnity and $555,000 in defence costs were paid.

Termination

Company	Privately Held
Number of employees	Approximately 815
Annual Revenue	Approximately $110,000,000
Industry	Technology
Location of Loss	Canada
Scenario	An employee alleged they were wrongfully dismissed. The senior employee went on sick leave for more than a year and upon their return, was notified that their job was no longer available. The employee was reintegrated into a new role, however a few months later, claimed that this position was a demotion and filed a complaint with the provincial labour commission.
Solution	Approximately $230,000 in indemnity and $35,000 in defence costs were paid.

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