

How can employers reduce their risk?

Good HR practices including effective training, policies and procedures, updated handbooks and consistent enforcement are proven strategies to minimize risk. Great American Insurance Company and ePlace Solutions, Inc. have joined forces to make HR compliance easier. Together, they provide HR ExecSupportSM to make HR compliance easier with online tools, legal updates, compliance forms, training programs and unlimited HR consulting by telephone or email.

Bad Economy Leads to Record High Discrimination Charges

EEOC set a record with the highest number of discrimination claims received in 2010. There were 99,992 private-sector discrimination charges!



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State agencies also saw a rise in discrimination charges. The poor economy is likely to explain, at least in part, this increase. Every business is at risk. Courts are filled with cases filed against employers that never thought it could happen to them.

Can you withstand the cost of an employment claim? Below are examples of the cost for employers to settle various types of discrimination and harassment claims. What you don't see is the cost to obtain these settlements. If the employer takes the case to trial in front of a jury, the attorney fees could easily cost up to **\$200,000** or more to defend the employer. If they employer wins, it still pays its attorney. If they employer loses, it will also pay the plaintiff's attorney fees in most cases.

A lucky employer may be able to beat a discrimination lawsuit before trial. Getting a case dismissed before trial could still cost the employer up to **\$100,000** or more in attorney fees and costs. In addition, how can you quantify the cost of lost productivity and poor employee morale resulting from defending a lawsuit.

(\$1.5 Million) Sexual Harassment/Retaliation

A federal jury in Indiana awarded three female employees \$1.5 million. The women alleged that their employer subjected them to sexual harassment, and then, after they reported the harassment, retaliated against them. The jury found that two male managers demanded kisses from the women in exchange for sales leads (which the women needed to earn commissions). When they reported the harassment, two of the women were fired.

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(\$345,000) Disability Discrimination

The plaintiff/employee was a diabetic that required occasional sick leave as an accommodation. After 8 years, the employer stopped providing the sick leave and began disciplining the employee. A California jury awarded \$345,000 to the employee for disability discrimination and failure to accommodate.

(\$100,000) Age Discrimination

A 74-year-old controller sued his former employer for age discrimination, alleging he was forced to retire pursuant to a mandatory retirement policy. The employer, a martial arts supply distributor, agreed to settle the claim for \$100,000.

(\$462,000) Sexual Harassment/Retaliation

An Arizona pool company agreed to pay \$462,000 to resolve a sexual harassment, retaliation, and constructive discharge case filed by the EEOC on behalf of a class of Hispanic employees. The employees claimed they were subject to sexual harassment including inappropriate touching, pressure for dates and sex, and sexually explicit comments. The women were allegedly offered promotions as an incentive to have sex with their supervisor. When they opposed, the women claimed they were retaliated against, forcing some of them to quit their jobs.

(\$95,000) Age Discrimination

A Texas fashion accessory company paid a group of workers \$95,000 to settle an age discrimination suit. The workers allege they were terminated because of their age, while significantly younger employees were retained.

(\$934,000) Disability Discrimination

The plaintiff worked for a convenience chain store for 26 years as the supervisor of several store locations. The plaintiff, who is deaf, used a system of lip reading and the fax machine to communicate with the stores he supervised. The employer hired a new manager who refused to allow the plaintiff to communicate using lip reading and the fax machine, and did not provide an alternative reasonable accommodation, which would allow the plaintiff to perform his job.

(\$98,000) Race Discrimination/Retaliation

A Houston company agreed to pay \$98,000 to settle a discrimination and retaliation lawsuit filed by the EEOC on behalf of 3 named African American workers. EEOC's lawsuit contended that the African American workers were subject to a racially hostile work environment, and that several were discharged after they complained. In addition, the company agreed to significant nonmonetary relief including training and a consent decree that required posting a "nondiscrimination" notice in the workplace.