Trade and Professional Organizations: What Could Go Wrong?

A membership organization terminated its Executive Director for ineffective leadership and bullying of staff. The Executive Director maintained the termination was in retaliation for reporting false charges being made against federal funds by the insured. The Executive Director also sued the organization for defamation. The matter settled for \$750,000 on the eve of trial, with defense costs totaling more than \$500,000.

A former employee of a Chamber of Commerce sought \$750,000 for alleged disability discrimination. The claimant made an accommodation request shortly after a poor performance review, and he was then terminated. The matter settled pre-suit for \$138,000, with an additional \$12,200 in defense costs.

A former employee of a trade association filed an administrative charge for alleged disability discrimination. The matter settled at mediation for \$50,000.

A former elected official filed a libel and slander lawsuit after he lost a subsequent election for Mayor, blaming his loss on attack ads sponsored by a nonprofit association. The suit was covered by the policy's Personal Injury Wrongful Acts coverage. The case ultimately settled in exchange for a public apology and \$125,000 in charitable donations. Defense costs were approximately \$190,000.

A former female employee of a professional association claimed sexual harassment by her supervisor and vicarious liability against the association for knowing about the harassment and failing to take remedial steps. Causes of action were brought for harassment and constructive discharge. The case mediated and settled for \$17,500 and cost nearly \$30,000 in defense.

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