

The following examples demonstrate how an employment claim can damage a small business or nonprofit organization.

CLAIM	SCENARIO
Harassment	A female employee at a construction company alleged that her male coworkers sexually harassed her by making derogatory comments about women in her presence. After complaining to her supervisors, the harassment increased. \$20,000 in compensatory damages and \$80,000 in punitive damages were awarded to the victim.
Discrimination	A former employee at a private school in Florida with 52 employees alleged pregnancy discrimination after she was terminated upon returning from maternity leave. When she returned to work, she was advised that she now needed a master's degree and was demoted. She filed a discrimination charge with the state. The matter settled for \$23,000 with another \$10,000 in defense costs.
Wrongful Dismissal or Termination	A manufacturer with 70 employees claimed an employee suffered from a mental disability that prevented him from safely operating a fork lift on the factory floor. The employee claimed he was wrongfully terminated and sued his former employer. A jury agreed and awarded the victim over \$250,000.
Third-Party Discrimination	A lawsuit alleging discrimination against a restaurant was brought by an African American patron in New Jersey. The plaintiff claimed he was given inferior service as compared to Caucasian customers. While the matter did not reach trial, defense costs exceeded \$25,000.
Wrongful Failure to Employ or Promote	A job candidate with a physical disability was not hired by a popular fashion boutique. The candidate had solid experience and claimed she was not hired because her disability conflicted with the store's trendy image. The matter settled for well over \$75,000.
Age Discrimination	A former employee of a landscaping contractor in Ohio filed suit alleging age discrimination. He alleged that he was terminated and replaced by a younger employee after working for over 10 years for the company. He also alleged no younger employees were terminated at the time he was let go. The employer claimed his position was eliminated. The matter settled for \$18,000 with another \$40,000 in defense costs.
Third Party Sexual Harassment	A pool cleaning company in Texas was sued for sexual harassment after a family alleged a technician sexually harassed their teenage daughter. After asking the technician to stop talking to their daughter, he left a note in their mailbox asking the young woman for a date. The policy covered the claim under the third-party extension, paying a \$45,000 settlement with another \$10,000 in defense costs.
Wrongful Retaliation	A waiter at an upscale, locally-owned restaurant in California was terminated. He sued, claiming he was fired in retaliation for filing a workers' compensation claim resulting from a slip and fall in the kitchen. The victim was awarded a judgment of more than 3x his annual income of \$65,000. Defense costs exceeded \$30,000.