

Employment Statistics

Employment Practices Liability Insurance

03/15/99

Statistics

- In 1996, 23,000 Lawsuits were filed in federal courts by workers alleging race, sex, disability, or age discrimination and have doubled through 1998.
- The most common type of employee-related lawsuits are for wrongful termination, sexual harassment, sex, age, race, and pregnancy discrimination.
- In a 1995 survey, 46.1% of employers had been sued by an employee. Legal and settlement costs averaged over \$250,000. Of those that had been sued, 33% were charged with wrongful termination.
- The average wrongful termination jury award based on age discrimination is over \$500,000.
- The average wrongful termination jury award based on race discrimination is over \$700,000.
- Liabilities presented by labor-related regulations ***are not covered*** by typical ***comprehensive general liability insurance***.
- 99% of employment related lawsuits involve hourly paid employees.
- The EEOC and its sister agencies at the state and local level received 15,889 charges of sexual harassment in 1997. Those charges--which do not include cases handled in other ways, such as through litigation--resulted in monetary settlements of \$49.5 million.

(source: California Restaurant Association, Equal Employment Opportunity Commission, Restaurants USA, 01/99)

Actual Claims

1) A bartender sues his former employer, alleging that he was fired because his employer found out that he is HIV-positive. He argues that this violates the Americans with Disabilities Act. The employer claims the bartender was fired for poor performance but testifies that the bartender had received excellent performance evaluations before his dismissal. The federal jury award? \$1.4 million - reduced to \$700,000 by the trial judge.

2) A male employee of a restaurant chain sues his employer and wins a \$237,000 award for sexual harassment. The employee had just been promoted to the position of manager. He claimed that after his promotion, his female boss began making comments to him about his body and told him she loved him. He alleged this went on for months before he told her to stop; six days later, she fired him.

(source: Hartford Insurance Company Agent Magazine March-April 1999)

1998 Study On Claims

Median Awards for Employment Practice Cases

Age Discrimination	\$ 219,000
Race Discrimination	\$ 147,799
Sex Discrimination	\$ 106,728
Disability Discrimination	\$ 100,345
Pregnancy Discrimination	\$ 87,500
Sexual Harassment	\$ 38,500

Claims by Type of EEOC Allegation

Race Discrimination	25.1 %
Sex Discrimination	21.3 %
National Origin	5.9 %
Religion	1.6 %
Retaliation	16.6 %
Age	13.2 %
Disability	15.5 %
Equal Pay	.9 %

(source: EEOC, Shard Morahan, Inc.)