



HEFFERNAN INSURANCE BROKERS

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## EPLI Facts & Findings

### Why You Need EPLI in a Bad Economy

In 2007, the EEOC (Equal Employment Opportunities Commission) experienced across the board increases in discrimination and retaliation charges. The economy may be to blame. Is your company prepared to defend itself against an employment claim?

The poor economy may be an important factor in explaining why charges of every type of discrimination have increased in the past year. Employment attorneys and HR specialists have observed that when the economy slows, the number of terminations increase, leading to more claims being filed. To protect your business, talk to your broker about the benefits of purchasing an Employment Practices Liability Insurance policy.

Charge Filed	Percentage Increase/Historical Comparison
Race Discrimination	Up 12% to highest level since 1994
Retaliation	Up 18% to record high level, double since 1992
Sex/Gender Discrimination	Up 7% to highest level since 2002
Age Discrimination	Up 15%, largest annual increase since 2002
Disability Discrimination	Up 14% to highest level since 1998
National Origin Discrimination	Up 12%, above 9,000 charges for 2 <sup>nd</sup> time ever
Religious Discrimination	Up to 13% to record high level, double since 1992

#### **Gender (Male) Discrimination, Loss – Over \$1,000,000**

A Texas chain of family restaurants has agreed to pay one million dollars to settle a discrimination lawsuit brought by the EEOC on behalf of male employees and applicants who were denied bartending positions. The lawsuit claimed that the employer had placed into effect a plan to maintain an 80:20 ratio of female to male bartenders.

#### **Wage and Hour, Loss - \$1,560,000**

An employer will pay \$1.56 million in back overtime and penalties to nonexempt employees who were misclassified as exempt from overtime. An investigation by the Wage and Hour Division of the U.S. department of Labor revealed that the employer misclassified retail merchandising specialists under the outside sales exemption, and failed to keep records of their hours worked.

#### **Disability Discrimination, Loss - \$1,700,000**

A jury awarded \$1.7 million to an employee with a disability who was not reinstated to her former position upon her return from medical leave even though she was still able to perform the essential functions of her job. Instead, the employer offered her a different position at half her salary.

*For more information on receiving a quote, claims examples, or premium indications, please contact your local Heffernan Insurance broker in the Special Accounts Unit.*

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