



Employment Practices Liability Insurance (EPLI) Claims Statistics and Recent Judgments

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Is your client adequately protected against employment-related claims? In today's litigious environment, the protection afforded by Employment Practices Liability Insurance (EPLI) has become more valuable than ever. Recent statistics released by the United States Equal Employment Opportunity Commission (EEOC) and the Department of Labor reveal some disturbing trends:

- A total of 99,947 discrimination charges were filed with the EEOC during the last fiscal year. This represents the highest number ever reported to the agency in its entire history.
- Retaliation claims have surpassed race discrimination as the most common type of complaint filed. Charges of alleged retaliation constitute nearly 40% of all claims filed during fiscal year 2011.
- During fiscal year 2008, more than 197,000 employees received a total of \$140.2 million in minimum wage and overtime violations of the Fair Labor Standards Act (FLSA). The Department of Labor initiated 28,242 compliance actions during that time and assessed \$9.9 million in civil monetary penalties.

Recent Judgments There is nothing static about a firm's employment-related liability exposures – they are constantly changing due to technological advances, passage of new laws, and the findings of the courts. Consider some of the following situations:

- A 20 year employee of a Fortune 500 firm was awarded over \$800,000 in compensatory damages stemming from a race discrimination and retaliation law suit. The individual had maintained her position at the company for nearly five years while the lawsuit was being adjudicated.
- A court allowed a disability hostile environment claim by an employee whose supervisor taunted him about his disability, required him to perform work beyond his physical limitations, and called him various derogatory names related to his disability.
- New innovations in communications technology have resulted in the rise of "textual harassment" claims. Four employees of a nationwide restaurant chain have brought legal action against their supervisor, alleging that he sent text messages seeking sexual favors.