

Private Company Loss Scenarios from Chubb



Discrimination...Doesn't Get Better With Age

COVERAGE SECTION	Employment Practices Liability
Cause of action	Age Discrimination
Type of organization	Private
Number of employees	120
Annual revenue	\$18 million

DESCRIPTION OF EVENT

ABC International terminated a long-time manager for alienating employees and customers and disinterest in his job. The manager was 59 years old when the termination took place, and ABC checked off “other” instead of “poor performance” on the termination form as the reason for the termination. The manager filed a charge of discrimination with the Equal Employment Opportunity Commission, alleging he was terminated because of his age. In his charge, he stated that he had always received regular merit pay increases, was replaced by a worker in his 30s, and that some members of senior management had made comments about needing “to get rid of the old guys.” The manager subsequently filed a lawsuit against the company seeking two years of lost wages and benefits, as well as compensation for emotional distress.

RESOLUTION

Although ABC believed it was innocent of the allegations, the company determined that defending against the lawsuit would be costly. The case eventually settled out of court for \$250,000, while expenses totaled more than \$60,000.



Chubb Group of Insurance Companies
Warren, NJ 07059
www.chubb.com

Could this happen to your organization? Contact your trusted Chubb agent or broker.

Golsan Scruggs
7320 SW Hunziker Street, Suite 320, Portland OR 97223
Phone: (503)244-0297 , Fax: (503)244-0298
Email: info@golsanscruggs.com