



# Employment Practices Liability Product

## Claim Examples

▶ **Does your EPL policy address the following scenarios?**

▶ **Third Party Liability:** A country club denied membership to an applicant stating they were not able to accept any more members at that time. The applicant sued for racial discrimination stating that the country club had a pattern of denying African American applicants membership and that the club had no African American members.

▶ **Internet/Email Liability:** An employee who desired to e-mail a pornographic joke to only a single recipient accidentally pressed the wrong button, sending the off-color joke to the company's entire workforce. The employer made the employee send a follow-up email apologizing to the workforce. Two months later, during a company downsizing, an employee sued for a hostile work environment and used the e-mail as evidence.

A group of employees would end their day by gathering around a fellow employees desk to look at the latest daily swimsuit model at a new website featuring bikini styles. A female employee stopped by during one of these gatherings and noticed the pictures. She then returned to her cubicle on the other side of the room. Although she never saw the photos after that day, she would see the employees gather around the desk each day and hear off-color remarks in relation to the photos. She later sued the company for a hostile work environment.

▶ **Spousal Liability:** The president of a company was being threatened with a sexual harassment suit by one of his employees. The president decided to transfer most of his assets into his wife's name in order to avoid being personally sued and subjecting his personal assets to any possible claim settlement against him. The employee later sued the president for sexual harassment. The suit named both the president and the president's wife because of her ownership interest in the president's assets. These assets were later subjected to the settlement provisions.

▶ **Retaliation:** An African American employee of a barge repair and painting firm complained to management that some of his coworkers were using racial slurs and jokes. His supervisor transferred him to an inside warehouse position at a reduced hourly rate stating that it would be better for him to work alone rather than be exposed to those workers. The employee later sued for discrimination and retaliation for reporting the discrimination.