



Bad employees . . . just get worse

COVERAGE SECTION	EMPLOYMENT PRACTICES LIABILITY
Claim	Wrongful termination
Company	Privately held
Number of employees	40
Annual revenue	\$3.7 million
Region	Northeast

DESCRIPTION OF EVENT

A mid-level supervisor with a long history of documented performance issues was terminated for smoking in a restricted area of the company's building where flammable chemicals were stored. The terminated employee, who was 54 years old, responded by suing the company for wrongful termination. He alleged age discrimination on the basis of comments made by his supervisor (such as "You're too old") and disability discrimination because the company refused to make accommodations for his high blood pressure. He also alleged he could only be terminated for good cause. The plaintiff sought back pay, front pay, special damages, and attorneys fees totaling an estimated \$275,000, in addition to punitive damages.

RESOLUTION

The company settled with the former employee, paying \$350,000, but not before it had paid \$130,000 in defense costs.



CHUBB EXECUTIVE PROTECTION

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Loss scenarios are based on actual cases, composites of actual cases, or hypothetical situations. Whether or not or to what extent a particular loss is covered depends on the facts and circumstances of the loss and the terms, conditions, and endorsements of the policy as issued. It is impossible to state in the abstract whether the policy would necessarily provide coverage in any given situation. Consult your agent, broker, or other expert.

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