

# EMPLOYMENT PRACTICES

## LIABILITY INSURANCE

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fact: **1**

### **SMALL BUSINESSES ARE OFTEN SUED BY THEIR EMPLOYEES.**

Employee lawsuits are on the rise, especially among smaller businesses. In 2015, small Massachusetts companies (those employing 6-14 workers) paid more than \$1,400,000 in compensation for claimants' lost wages and emotional distress.

fact: **2**

### **EMPLOYEE LAWSUITS COME IN MANY DIFFERENT FORMS.**

Discrimination is a leading cause of employee lawsuits. Denying a promotion, withholding a job offer, or firing an employee on the basis of race, religion, age, sex, pregnancy, disability, or citizenship is against federal law. Massachusetts employers cannot discriminate based on marital status, arrest record, gender identity, or military service.

fact: **3**

### **BUSINESS OWNERS CAN BE HELD LIABLE FOR THE ACTIONS OF THEIR SUPERVISORS OR MANAGERS.**

Without proper training and updated knowledge of anti-discrimination laws, your managers may be putting you at risk. According to Massachusetts law, employers may be held liable for discriminatory behavior committed by supervisors or managers.

fact: **4**

### **EMPLOYEE LAWSUITS ARE EXPENSIVE, EVEN IF YOU ARE IN THE RIGHT.**

The cost of defending and settling a claim out of court can be as high as \$75,000. A case that goes all the way to trial costs twice as much—potentially more, if you lose. And even when a claim is thrown out of court, an accused company pays between \$10,000 and \$15,000 on average, according to Trusted Choice.

### *True Story*

A Massachusetts employer was recently forced to pay \$10,000 and complete fair employment law training, after failing to accommodate an employee with migraine headaches, terminating her for excessive absences.

**ASK YOUR C&S  
AGENT IF YOU  
HAVE EPLI  
COVERAGE.**