

Hanover Management Liability

Employment-related risks faced by contractors

Employee lawsuits alleging sexual harassment, discrimination, wrongful termination, retaliation and other employment-related issues are at an all-time high. The Hanover's employment practices liability solution helps contractors against the financial damage of employment-related claims or lawsuits brought by their employees. These scenarios show you how.

Disability discrimination

The law surrounding disability discrimination in the workplace is ever-changing, so it's important that employers keep up with developments to ensure they're in compliance.

A truck driver injured his foot in a workplace accident. After managing the pain for several months, he underwent surgery for his injury. When he returned to work, the truck driver presented a doctor's note stating he should elevate his foot to reduce post-surgery swelling. His employer agreed to place him on light duty, but did not allow him to elevate his foot during the workday and refused to entertain alternative accommodations to help address the swelling. The truck driver quit his job and sued the company, claiming discrimination on the basis of his disability.

INSURANCE IN ACTION

The Hanover worked closely with the company to settle the case at a court-ordered mediation, and the total amount incurred between defense expenses and settlement was almost six figures.

Age discrimination and retaliation

As the workforce ages and people work longer than ever before, employers' face a heightened risk of age discrimination.

When a new leadership team was appointed at their construction company, several older employees questioned the team's philosophy, causing friction in the workplace. In response, management imposed a "my way or the highway" approach, which increased the level of organizational stress. One of the older employees was hospitalized for a heart condition that her physician tied directly to management's actions. She sued the company, claiming age discrimination.

INSURANCE IN ACTION

The combination of the physician's incriminatory diagnosis and the company's retaliatory actions dramatically raised the estimated value of the case to seven figures. Working with The Hanover's team, the company was able to settle the case for a six-figure amount.

*These hypothetical examples are provided for discussion purposes only, although some parts are based on actual claims experiences, names and facts have been changed to protect confidentiality. Insurance policy coverage depends on the facts of each case and the terms, exclusions, and limitations of the policy issued..

Whistleblower retaliation

When employees raise concerns about their employer's compliance with regulations, it's critical that employers handle the situation with care.

An employee raised concerns that her construction company was not in compliance with industry regulations. The employer perceived these comments as harassment directed towards the woman's coworkers and subsequently terminated her employment. The woman sued her employer claiming whistleblower retaliation, seeking a mid six figure amount. After investigating, it was clear that her comments were motivated by well-founded concerns relating to customer safety, not harassment.

INSURANCE IN ACTION

Based on the results of the investigation, and the fact that the employee had "reasonable belief" of violations that would satisfy the court, The Hanover and the company moved quickly to settle the dispute at an economically reasonable number, agreeing on a low six figure settlement.

Wage and hour

Wage and hour laws are frequently a hot topic of discussion for employers given the complex system of federal, state and local regulations addressing overtime pay and related topics.

A construction company was sued by three employees who claimed they were not paid the correct amount of overtime. The company argued that it made reasonable efforts to track its employees' work time and paid the overtime hours that were reported. Unfortunately, it was found that the company's documentation of hours worked and paid was incomplete, and its time-tracking system did not allow for new reports to be run after the fact.

INSURANCE IN ACTION

While The Hanover covered defense costs with our wage and hour defense expense endorsement, the incomplete documentation, combined with the fact that wages are generally uninsurable as a matter of law, resulted in the company being required to make a six-figure out-of-pocket contribution towards the settlement.

Help ensure you're protected

You don't have to be in the wrong to be the target of a claim or suit. Talk to your Hanover representative to learn more about how our employment practice liability insurance can provide the protection you need.



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