

# Employment Practices Liability

## COVERAGE HIGHLIGHTS

Employment-related claims impact organizations of every size, in every industry.

### Why you need protection

Employers, big and small, are subject to federal and provincial laws regarding employment practices. Exposures leading to employment practices claims have increased over the years. This may be attributed to challenging economic conditions, shifting demographics and the ever-evolving litigation environment.

### Coverage highlights

Specifically designed to meet the needs of today's employers, Travelers Canada's employment practices liability offering combines broadened coverage features and expert claims handling.

### Claim scenarios

The following claim scenarios are provided for informational purposes only. Refer to the terms and conditions of the applicable policy and the actual facts of the claim to determine coverage.

#### Age discrimination – \$610,000

A private Canadian company terminated a U.S.-based employee for poor performance. In prior years, the employee was a high performer and, at the time of termination, had reached the level of branch manager. The employee, then in their 50s, rejected the settlement offered and filed a suit citing violations of the Age Discrimination Act, asserting that the company was trying to get rid of older managers. The claimant sought immediate reinstatement, reimbursement for lost wages, damages for emotional distress and legal fees.

#### Wrongful dismissal – \$245,000

After being dismissed, the former president and CEO of a non-profit entity launched a wrongful dismissal lawsuit against the non-profit and its directors and officers. The ex-employee requested reinstatement to their former position and also claimed damages for past salary, bonus and other fringe benefits. The claim was eventually settled for \$200,000, with defence costs exceeding that amount.

#### Sexual harassment – > \$500,000

An employee of a private Canadian company was terminated, and accepted a settlement of \$188,000. Despite signing a final release, the employee then filed a complaint with the Human Rights Tribunal (HRT) alleging sexual harassment and discrimination by the company's president, leading to the eventual dismissal. After the HRT rejected the complaint, the employee sought judicial review, which was also dismissed. Civil proceedings against the former employer and a wrongful dismissal lawsuit were also filed, both of which were dismissed and appealed.



No organization is immune from an employment practices claim.

According to a 2019 human rights commission report, there were 1,203 complaints filed – the highest in a decade – and **66 percent** of them were employment-related.<sup>1</sup>

<sup>1</sup> [Canadian human rights commission](#)

### Why Travelers Canada?

- We've provided effective insurance solutions for more than 130 years and address the needs of a wide range of industries.
- We consistently receive high marks from independent ratings agencies for our financial strength and claims-paying ability.
- With offices across Canada, we possess national strength and local presence.
- Our dedicated underwriters and claim professionals offer extensive industry and product knowledge.



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Travelers Canada knows employment practices liability coverage.

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