



# Large Claims Lessons Learned



## Line of Business: EPLI Topic: Harassment and Discrimination

### Claim scenario

An individual at a dealership brought a discrimination lawsuit based on national origin, disability, race/color. The individual claimed to have been called many bad names repeatedly. There was some commentary that the individual was “ok with this”.

No harassment/discrimination or other training was in place at the dealership.

The individual brought forth a claim for \$10 million.

### Financial Impact:

This claim may have a financial impact of up to **\$1,000,000**.



### Lessons learned

- 1 Issues with employment practices such as harassment and discrimination are not new. Creating a culture from the top of the organization with a zero-tolerance policy for this behavior is important.
- 2 Actions must be taken at the dealership on an ongoing basis to train and educate both new and current employees about harassment and discrimination.
- 3 In some cases, commentary that an individual was “ok with it” or “played along” is an indicator that discriminatory practices are indeed at play and can serve as an indicator that action is needed.
- 4 Other individuals who witness this behavior may also bring a suit.



### Action needed to prevent this type of loss

- Create a culture of zero-tolerance and maintain a heightened level of focus on identifying harassment and/or discriminatory behaviors.
- Require formal harassment and discrimination training for all employees within the dealership.
- Establish a formal written policy, put in place procedures regarding reporting and actions taken, make your policy available to all employees, and update the policy on an ongoing basis.



### Loss prevention / Risk management Resources

Zurich offers a variety of compliance and risk management insights to help you minimize your exposure. Start with Zurich's article, [Preventing Harassment at the Dealership](#), and visit Zurich's [Automotive Resource Hub](#) to access all of Zurich's loss prevention resources.

Exposures are still present even when strict processes and protocols are in place, however, these actions and a commitment to diligence in driver training and skill assessment can reduce the propensity for losses.

## Zurich

1299 Zurich Way, Schaumburg, IL 60196-1056 800 382 2150 [www.zurichna.com](http://www.zurichna.com)

---

The information in this publication was compiled from sources believed to be reliable for informational purposes only. All sample policies and procedures herein should serve as a guideline, which you can use to create your own policies and procedures. We trust that you will customize these samples to reflect your own operations and believe that these samples may serve as a helpful platform for this endeavor. Any and all information contained herein is not intended to constitute advice (particularly not legal advice). Accordingly, persons requiring advice should consult independent advisors when developing programs and policies. We do not guarantee the accuracy of this information or any results and further assume no liability in connection with this publication and sample policies and procedures, including any information, methods or safety suggestions contained herein. We undertake no obligation to publicly update or revise any of this information, whether to reflect new information, future developments, events or circumstances or otherwise. Moreover, Zurich reminds you that this cannot be assumed to contain every acceptable safety and compliance procedure or that additional procedures might not be appropriate under the circumstances. The subject matter of this publication is not tied to any specific insurance product nor will adopting these policies and procedures ensure coverage under any insurance policy.

©2023 Zurich American Insurance Company

A1-P0543271-A (06/23) P0543271

