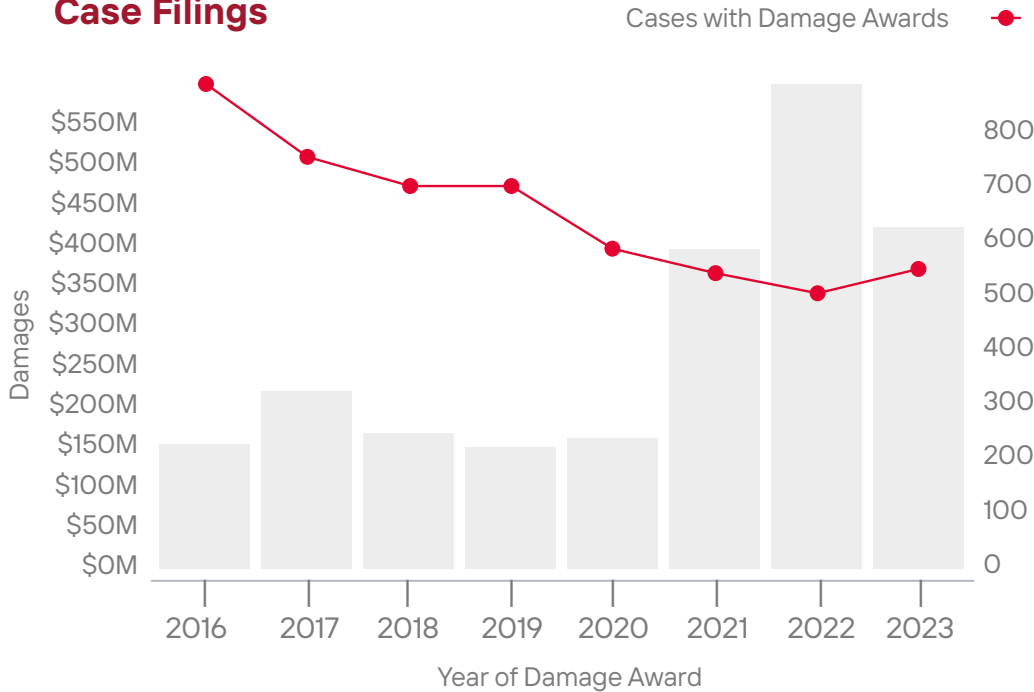
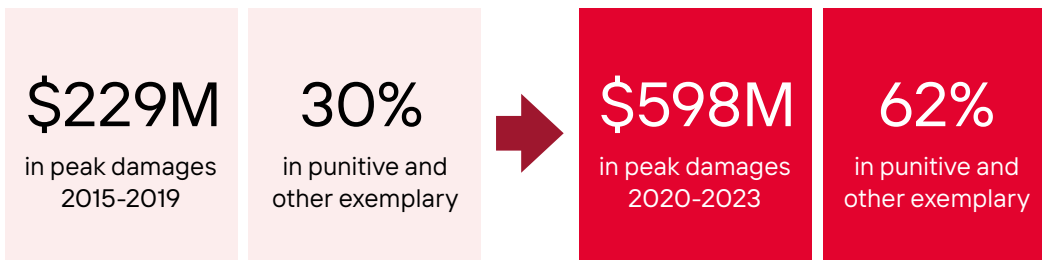


# Employment Litigation Social Inflation by the Numbers

## Case Filings



## Impact of Social Inflation on Damage Awards



## Social Inflation at a Glance

Judges & juries award large, punitive and other exemplary damages – most times the actual economic loss (front pay/back pay) suffered by plaintiffs is a fraction of these large, discretionary damage awards. Jurists have taken it upon themselves to punish corporations even if the plaintiffs fail to show that corporations and their executives acted improperly.

## Social Inflation in Employment Litigation Cases

- **\$366M jury award** based on a race discrimination and retaliation suit brought by a former employee at an international package delivery company\*
- **\$125M in punitive damages** awarded to disabled employee that was terminated by a US retailer who didn't make the proper accommodations
- **\$80M** awarded to three multi-national property & casualty insurance employees terminated for taking unofficial time off, arguing coworkers did the same with no repercussions
- **\$51M** awarded to a senior project specialist at a defense contractor who was fired during a RIF and alleged it was because he was the oldest person in his group\*

\*Damages later reduced

## Factors Driving Social Inflation

- Growing anti-corporate sentiment, unequal distribution of wealth
- Increasing distrust of corporations and increasing pressure to hold them accountable
- Reptile Theory – plaintiff attorneys try to influence jurors by stoking fear
- Increasing emphasis on emotional distress/mental health in the workplace leading to higher awards in this category

## Looking to the Future

### Employers should:

- Collaborate with insurance brokers to review limit adequacy due to the increase in frequency of high dollar damage awards
- Work with defense counsel and the Sompo Claims team to consider options for early dispute resolution to keep matters out of court

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