

Know Your Limits

presented by MST Insurance Solutions, Inc.

Your Monthly Wrap-up of **Mid-market Business Losses**

December 2022

City Reaches \$17 Million Settlement in Collective Action Lawsuit

Employment
Practices Liability

The city of Albuquerque, New Mexico, has settled a collective action lawsuit for \$17 million. The lawsuit, which was brought by female employees who claimed the city “systemically” pays women less than their male colleagues, will provide back pay to the plaintiffs and other class members. According to the settlement, the plaintiffs and other class members will be paid the difference between what they were actually paid and what they should have earned based on the same rate of base pay as the highest-paid male with the same job description dating back to June 14, 2013.

Jury Awards \$228 Million to Truck Drivers in Privacy Ruling

Privacy Liability

An Illinois jury has awarded \$228 million to truck drivers whose fingerprints were scanned without proper consent, violating Illinois’ Biometric Information Privacy Act. This historic legal judgment against BNSF Railway Co. highlighted that businesses can’t blame data violations on third-party vendors and contractors. While BNSF blamed a third-party automated-gate system for the data lapse, the Honorable Matthew Kennelly said that the Illinois law doesn’t shield the rail giant from liability.

FedEx Services To Pay \$365 Million in Racial Discrimination and Retaliation Case

Employment
Practices Liability

FedEx Services must pay \$365 million in punitive damages after a former employee alleged she was racially discriminated against during her employment and was fired as retaliation for her complaints about the matter. The former employee reported to HR that she was discriminated against for being Black when her white manager asked her to take a demotion. Following that report, she was written up for her performance by the same manager and eventually terminated. A Memphis, Tennessee jury found in favor of FedEx Services on the discrimination claims, but awarded the former employee compensatory and punitive damages for the retaliation claims.

Sexual Misconduct Lawsuit Results in \$52 Million Settlement

Liability

Fifteen sexual abuse victims and their families will receive a \$52 million settlement in a lawsuit that alleged the Los Angeles Unified School District knew of prior sexual misconduct by a high school wrestling coach and did nothing about it. In May 2019, the former coach was sentenced to 71 years in state prison after a San Fernando Valley, California jury convicted them on 37 felony and 10 misdemeanor counts. The lawsuit accused the school district of not adequately investigating prior allegations and preventing the safety team from doing its job.