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Record Number of EEOC Claims: What Does it Mean for Clients?

The U.S. Equal Employment Opportunity Commission (EEOC) recently reported that for fiscal year 2010, it received nearly 100,000 new private sector charges of employment discrimination. This is the most ever in the agency's 45-year history and a 7.2% increase over the number of charges filed in 2009.

The EEOC attributed the increase to easier filing procedures, improved customer service and expanded authority related to the ADA Amendment Act, the Genetic Information Nondiscrimination Act and the Lilly Ledbetter Fair Pay Act.

Some observers also note that the rise may also reflect a shift in mission under the Obama administration. Rather than viewing its role as being geared to counseling employers about how to make their workplaces discrimination- and harassment-free, some believe the current EEOC is more focused on educating workers and conducting more investigations. In addition, most experts agree that in a down economy, the opportunities for employment practices liability (EPL) claims increase - employers are more likely to have to make hard employment termination decisions, and with fewer alternatives available to them, employees are more likely to pursue legal remedies.

Clients facing difficult budget decisions may be tempted to reduce or eliminate their EPL coverage. However, as the surge in EEOC claim filings shows, the risk to employers may now be greater than ever. We suggest discussing this exposure with your advisor to better understand the risks and the best approach on how to address them.

The full EEOC report can be obtained at: <http://www.eeoc.gov/eeoc/plan/2010par.cfm>

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