



# Claims Scenarios

Victor O. Schinnerer & Company

## **D&O CLAIMS SCENARIOS**

### **An Injury, a Termination and a Law Suit**

A Cooperative employee sustained an injury on the job and filed a worker's compensation claim. Shortly after the claim was filed, the employee was terminated by the general manager. He filed a lawsuit alleging wrongful termination, age discrimination and retaliation after receiving a letter from the Cooperative disagreeing with his interpretation of the injury.

During discovery, three factors were brought to light by the former employee's lawyer to help prove the allegations: one, there was a trend of hiring younger employees over the past several years; two, several employees confirmed that the former employee complained of work-related headaches and three, the employee was terminated only after he filed the worker's compensation claim.

This case illustrates that routine worker's compensation matters can lead to litigation involving broader claims with greater exposure brought on by timing issues and other circumstances that may not have been intentional.

### **Contract Confusion Causes Consternation and Chaos**

An independent grain sales contractor signed a two-year contract with an agricultural Cooperative believing the contract could only be terminated if he engaged in unlawful activity. However, the Cooperative terminated the relationship claiming that the contractor failed to reach earnings goals.

The contractor initiated a lawsuit alleging that his contract was unlawfully terminated. He also claimed unlawful interference with business and defamation—letters were supposedly sent to his clients damaging his reputation.

Litigation was expensive because numerous witnesses and experts had to be deposed to discuss the claims as well as the economic formulas involved in the sales contract. The lawsuit lasted over three years. It finally settled before trial after several important witnesses relocated and became unavailable for trial.

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