

Know Your Limits

presented by Winters-Oliver Insurance Agency

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

July 2021

Woman Awarded \$43.5 Million in Civil Trial Following Rear-end Collision

Liability

Chicago-area trucking firm Viper Transpiration was hit with a nuclear verdict of \$43.5 million after one of its drivers rear-ended a woman. The collision, which occurred while the woman was stopped at a red light, resulted in cervical spine injuries and significant medical bills. The jury award is another in an increasing trend of nuclear verdicts affecting businesses with commercial vehicles. In fact, the average verdict size for a lawsuit above \$1 million involving a truck crash has increased nearly 1,000% from 2010 to 2018, rising from \$2.3 million to \$22.3 million.

Ransomware Damages for Baltimore County Public Schools Could Reach \$7.7 Million

Cyber

Following a ransomware attack from November 2020, Baltimore County school officials estimate that damages could reach \$7.7 million. This figure is close to what Baltimore City paid toward recovery efforts following a similar attack in 2019 where the city spent roughly \$10 million. While Baltimore County school officials have not disclosed the ransom amount, the attack led to the cancellation of two days of online classes for 111,000 students. It's worth noting that, unlike Baltimore City, the Baltimore County school system had cyber insurance at the time of the attack, which reportedly covers up to \$2 million for direct costs and \$3 million for liability costs.

Biopharmaceutical Firm to Pay \$6.5 Million After Shareholders Claim They Were Misled

D&O

A biopharmaceutical firm, Aeterna Zentaris, has agreed to pay \$6.5 million to settle a class-action lawsuit filed by its shareholders. The lawsuit stems from claims that the company misled shareholders regarding the safety and effectiveness of one of its drugs. Per the lawsuit, the firm issued press releases between 2011 and 2014 falsely stating that clinical trials showed one of its drugs effectively evaluated adult hormone growth deficiency. While the firm admitted no wrongdoing, they did agree to settle the case to avoid further litigation costs and management distractions.

Three Former Prosecutors Settle 2019 Sex Discrimination Lawsuit for \$395,000

Employment
Practices Liability

Three former prosecutors based out of Las Cruces, New Mexico, have settled a 2019 lawsuit alleging sex discrimination, disparate pay and workplace retaliation for the lump sum of \$395,000. The plaintiffs alleged that they were paid less than male colleagues with similar qualifications and experience. They also alleged they were subjected to abusive and bullying behavior by the office supervisor. The average employment lawsuit will cost a company \$200,000.