

October 2024

Know Your Limits

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

Presented by **Winters-Oliver Insurance Agency**



Product Liability

Motorcycle Company to Pay \$287 Million in Damages

A New York jury handed down a \$287 million verdict after a woman died and a man was seriously injured in a 2020 motorcycle crash. The deceased woman's estate and the surviving man filed suit against the motorcycle company, alleging a defect in the bike's traction control system led to the tragedy. The jury determined the company was responsible for the product defect and awarded the plaintiffs \$287 million in damages, including \$240 million in punitive damages and \$47 million in pain and suffering. The crash occurred when the three-wheel motorcycle the plaintiffs were riding veered off the road. According to the plaintiffs' attorneys, before the fatal incident, the man received a recall notice from the motorcycle company regarding the vehicle's traction control software system and had the three-wheeler serviced. The attorneys stated the company assured the man it was safe. The defendant's attorneys noted they plan to appeal the verdict.

Employment Practices Liability

University Dean Awarded Over \$3.9 Million in Whistleblower Lawsuit

A federal jury awarded a former university administrator more than \$3.9 million after determining he was a victim of retaliation. The former dean filed a lawsuit in 2018 alleging he was mistreated and fired after assisting the school president's executive assistant with filing a sexual harassment complaint with the Title IX Office against the president. According to the executive assistant, the president engaged in unwanted and inappropriate behavior. The plaintiff stated that after he helped with the sexual harassment filing, he was denied travel reimbursement and ultimately fired. He also alleged the school officials spread defamatory rumors about his personal life. Attorneys for the plaintiff noted that the total award, which included amounts for front pay, back pay, pain and suffering, and punitive damages, would likely increase to around \$5 million after the attorney fees and interest were determined. A spokesperson for the state system of higher education said they are exploring legal options.

Liability

Family Agrees to \$30 Million Settlement After Utility Pole Causes Death

The family of a deceased woman from South Carolina agreed to a \$30 million wrongful death settlement with an electric company and a communications company after a rotting utility pole broke, struck and killed the woman, who was on a lunch break. Authorities reported that a truck of a legal height snagged on a drooping pole line that was not in use, stretched it and snapped its supporting poles, resulting in the poles being launched into the air. The pole, which was estimated to be over 60 years old, struck the woman, who later passed away from her injuries at the hospital. The plaintiff's attorney said each company's share of the settlement would not be released.

Directors and Officers

Toy Company Settles Claims Regarding Fiduciary Breach Claims for Over \$2.1 Million

A toy company agreed to pay plaintiffs' legal fees of over \$2.1 million to settle lawsuits that alleged its former CEO and others gave false and misleading statements to stockholders and the public, breaching their fiduciary duties. Multiple lawsuits in Delaware and California accused the company's executives and board members of withholding information about the business's sales, inventory management and operational difficulties. The plaintiffs contended this artificially inflated the toy maker's securities price. They further claimed the defendants received unjust enrichment and that individual defendants sold their stock at inflated prices while having material nonpublic information. A hearing is scheduled in November to decide if the notice to stockholders meets federal regulations and due process requirements and to review the settlement terms.