

April 2023

Know Your Limits

presented by SCS Agency Inc

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

Cyber

HOSPITAL TO PAY \$1.2 MILLION SETTLEMENT AFTER DATA BREACH

A Massachusetts hospital settled a claim for \$1.2 million after a data breach compromised the personal information of nearly 3,000 individuals. The cyber security event exposed names, driver's licenses, Social Security numbers and financial accounts between June 24, 2020, and Jan. 7, 2020. The hospital agreed to the \$1.2 million class action lawsuit settlement but hasn't admitted any wrongdoing. Consumers were notified of the breach in October 2021. Class members may receive ordinary and extraordinary expense reimbursement and credit monitoring services, or a prorated payment based on the number of filed claims.

Medical Malpractice

WOMAN WITH LOCKED-IN SYNDROME AWARDED \$47 MILLION VERDICT

A jury awarded a Nevada woman \$47 million in a medical malpractice verdict after alleging doctors inadequately treated her low sodium levels. The woman was initially hospitalized after a fall. While there, she received treatment that improperly raised her sodium levels too quickly. This led to brain damage that left her with locked-in syndrome, a condition rendering her conscious but unable to move and speak. The \$47 million award included \$35 million for noneconomic damages for pain and suffering, but a Nevada law caps noneconomic damages in medical malpractice suits at \$350,000. According to her attorney, the woman will likely receive \$4 million to \$5 million of the total settlement.

Liability

SCIENCE EDUCATION NONPROFIT AND CALIFORNIA CITY SETTLE CHILD BURN LAWSUIT FOR \$18.5 MILLION

A lawsuit filed on behalf of a nine-year-old boy who suffered severe burns during a city-sponsored science camp has been settled for \$18.5 million. The city agreed to pay \$17.5 million, while the science nonprofit will pay \$1 million. Both parties have denied liability with the settlement. The injuries occurred during a science experiment that involved igniting a mixture of baking soda, powdered sugar and isopropyl alcohol. According to court documents, the boy required 41 days of initial hospitalization and further hospitalizations after the initial stay. Furthermore, he received physical and occupational therapy and counseling and will require further surgeries. The city's public information officer noted changes have been made regarding how the city vets contract instructors, where recreation classes and programs are held, and how it reviews contractor safety programs. The science education nonprofit is no longer in operation.

Directors and Officers

FINANCIAL SERVICES COMPANY TO PAY \$157 MILLION IN PONZI SCHEME LAWSUIT SETTLEMENT

A multinational financial services company has agreed to pay \$157 million for its alleged role in a multibillion-dollar Ponzi scheme. The suit, filed in a Houston federal court, dates back to August 2009 and accused the financial services company and several other banks of contributing more than \$7 billion to the Ponzi scheme. The lawsuit claimed the financial services company and banks ignored red flags that ultimately led to the misappropriation of funds. Ultimately, 18,000 investors were harmed. The financial services company has denied any wrongdoing but will pay the court-appointed receiver. The receiver will then provide funds to specific customers of the financial services company.

This infographic is intended for informational purposes only and is not intended to be exhaustive, nor should any discussion or opinions be construed as professional advice. Readers should contact a licensed insurance professional or attorney for appropriate advice. © 2023 Zywave, Inc. All rights reserved.