

Know Your Limits

Liability

A municipality has agreed to a pre-trial settlement of \$18.3 million after a resident tripped over a damaged section of sidewalk uplifted by a tree root. According to the lawsuit, the protruding sidewalk was obscured by overgrown plants, which compounded the hazard. As such, the contractor responsible for sidewalk landscaping agreed to contribute \$200,000, bringing the total settlement to \$18.5 million. The city was accused of neglecting sidewalk maintenance, and the plaintiff's attorney identified several additional hazardous sidewalks that could pose trip hazards, suggesting a longstanding maintenance problem. Moreover, the city had not provided municipal staff with instructions and training on how to report damaged sidewalks. The injured resident, a woman in her 60s with existing mobility issues, suffered neck and head trauma in the fall. These injuries required surgery and worsened the woman's existing medical conditions— she remains partially paralyzed, according to the lawsuit.

Cyber

A New Jersey borough and its school board suffered multimillion-dollar losses in a sophisticated email spoofing scheme. Without gaining access to the school district's network, a cybercriminal impersonated employees and spoofed email addresses, tricking school and borough officials into believing they were corresponding with each other. The deception resulted in two fraudulent wire transfers totaling \$4.8 million. Although \$1.7 million has been recovered, more than \$3 million remains unaccounted for, according to the borough's mayor. The borough and school board are working with insurance carriers to recover the funds and plan to tighten cybersecurity protocols going forward.

Liability

A Baltimore jury has awarded \$21.5 million in damages to two residents following an assault at a West Baltimore rooming house. The incident occurred one evening in September 2023 when a property maintenance employee, permitted to reside on-site, created a disturbance in a shared area. One resident was restrained and attacked after leaving their unit to investigate, while another was awakened and restrained. Both victims suffered a violent assault that left them with life-threatening injuries. The lawsuit alleged negligent hiring, as neither the landlord nor the property management company conducted a background check on the worker before employing him to assist with rooming house maintenance. Proper vetting would have revealed that the worker had previously served prison sentences for violent crimes. Accordingly, the incident was entirely foreseeable, according to the plaintiffs' lawyer. The jury held the landlord and property management company liable, awarding \$21.5 million in damages, including \$5 million in noneconomic and \$5 million in punitive damages for each victim.

Employment Practices

Liability

An Ohio-based machinery company agreed to a \$2 million settlement after a federal lawsuit alleged that it discriminated against an HR director and multiple women who applied for jobs. According to an Equal Employment Opportunity Commission (EEOC) attorney who supervised the litigation, the company systematically denied production jobs to women and retaliated against an HR director after she hired two woman project managers, who were later fired and replaced with men. Moreover, the company had no women's restrooms on its plant floors. In addition to providing monetary relief, the machinery company must work with the EEOC to improve its equal employment opportunities for woman job applicants, including reviewing previously rejected candidates.

January 2026 - Your Monthly Wrap-up of **Mid-market Business Losses**

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