

5.3.7: Case Study: EEOC Sues Farmers Insurance for Race Bias in the Firing of Asian-American Claims Representatives

Insurance Giant Also Discharged Caucasian in Retaliation for Providing Testimony During the Discrimination Investigation, Federal Agency Charges

FRESNO, Calif. - Farmers Insurance Exchange violated federal law when it fired two Southeast Asian-American employees due to their race, and then unlawfully fired a third non-Asian employee in retaliation for his participation in the EEOC's investigation, the U.S. Equal Employment Opportunity Commission (EEOC) charged in a lawsuit it filed today.

Two of the claimants are of Hmong descent and were the only Asian-American employees working at the insurance company's Fresno office at the time of their termination in March 2009. According to the EEOC, a supervisor had instructed staff at the Fresno office to code insurance payments in a manner so as to avoid the automated prompting of customer surveys. A 2009 audit revealed that several of the claims representatives in the Fresno office had instances of improper coding. However, the EEOC contends that only the Asian-American claims representatives at that location were targeted for termination. A claims adjuster, who is Caucasian, actually had a similar number of cases coded, but was not terminated in March 2009—until he provided testimony during the EEOC's investigation into the discrimination charges. This claims adjuster was placed on leave a week after he was interviewed by the EEOC.

Race discrimination and retaliation for complaining about it violate the Title VII of the Civil Rights Act. The EEOC filed its suit against Farmers Insurance Exchange in the U.S. District Court for the Eastern District of California (*EEOC v. Farmers Insurance Exchange*, Case No. 1:13-cv-01574 AWI SKO), after first attempting to reach a pre-litigation settlement through its conciliation process. The EEOC's suit seeks back pay, compensatory and punitive damages for the alleged victims.

"Generally, Asian-Americans and Pacific Islanders seldom come forward to report discrimination," said Anna Park, regional attorney for the EEOC's Los Angeles District, which includes Central California in its jurisdiction. "The EEOC is here to help victims of illegal discrimination and to ensure that employers treat workers equally. Our hope is that more will find the courage to come forward to break the cycle of discrimination at work."

Melissa Barrios, local director of the EEOC's Fresno Local Office, added, "Federal law protects employees who participate in investigations or proceedings involving employment discrimination from retaliation. Workers have the right to provide testimony or protest discrimination without negative employment consequences."

According to [its website](#), Farmers Insurance Exchange is one of the insurers comprising Farmers Insurance Group, one of the largest insurers of vehicles, homes, and small businesses. Farmers Insurance Group serves 10 million households across 50 states with nearly 24,000 employees.

Eliminating discriminatory policies affecting vulnerable workers who may be unaware of their rights under equal employment laws or reluctant or unable to exercise them is one of six national priorities identified by the EEOC's Strategic Enforcement Plan (SEP). These policies can include disparate pay, job segregation, harassment, and human trafficking.

The EEOC is responsible for enforcing federal laws against employment discrimination. Further information is available at www.eeoc.gov.

5.3.7: Case Study: EEOC Sues Farmers Insurance for Race Bias in the Firing of Asian-American Claims Representatives is shared under a [not declared](#) license and was authored, remixed, and/or curated by LibreTexts.