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Chamber files brief with state Supreme Court on behalf of Kentucky employers

FRANKFORT, Ky. (August 8, 2007) – The Kentucky Chamber of Commerce filed an amicus brief on behalf of Kentucky employers with the Kentucky Supreme Court in the case of Humana Inc. v. Blose. At issue is a Court of Appeals opinion that determined an employee who had signed an employment release agreement, which offered specific benefits in exchange for a commitment to waive any future legal claims against the employer, could file a lawsuit anyway – in breach of the agreement.

“Employee release agreements are common, and are beneficial for employers and employees alike,” said Chaz Lavelle, chairman of the Chamber’s litigation committee.

In exchange for waiving the right to future legal claims, employees are offered severance packages and other benefits which ease transition to new employment opportunities. It is important for both to have confidence that a legal agreement signed by both parties will be enforced under Kentucky law. The Court of Appeals opinion in this matter overturns this standard and the case now faces scrutiny by the state Supreme Court.

“Unless the decision is reversed, it could result in the loss of severance agreements for employers and employees,” said Barbara Edelman of Dinsmore & Shohl, who is representing the Chamber in this matter. “We hope that the Supreme Court will in fact reverse the Court of Appeals decision and rectify what could be an unfair outcome for employers in this state.”

Because Kentucky employers have a substantial interest in the disposition of this case, the Kentucky Chamber of Commerce, through its litigation committee, took action.

“We felt we needed to take immediate action in order to protect Kentucky businesses and employees from the negative effects of this opinion,” said Lavelle. “If this opinion stands, settlements will be less likely. Settlements permit both parties to move past the issue in a timely manner, rather than spending time, money and angst over years of litigation.”

About the Kentucky Chamber of Commerce

From its beginnings in 1946 as a bipartisan voice for business at the state Capitol, the Kentucky Chamber of Commerce has evolved into the premier business association in the state. Today the Chamber represents more than 12,000 business leaders — from Fortune 500 companies and family-owned shops — which share a strong interest in the state’s economic future. Kentucky employers benefit from a broad range of services offered through Chamber membership: year-round lobbying, timely communications on business issues, publications and seminars on evolving regulations and policies, and a variety of other member benefits.

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