

Professional Indemnity Claims Examples



Government Statutory Board

- ⌚ 6 staff
- ⌚ HKD5.5M turnover

Background

A claim was made against the Insured by one of its former clients. The claim alleged that the Insured failed to protect the claimants medical conditions whilst acting for the claimant in court, resulting in the claimants identity being easily searched online and discriminated against.

Outcome

The Insured appointed panel solicitors to assist with managing the dispute. The Insured incurred defence costs of HKD280,800 which were indemnified by the Policy.

Payment: HKD280,800

Architect

- ⌚ 6 staff
- ⌚ HKD5.5M turnover

Background

The Insured was engaged as an architect in a large development project. A claim was made against the Insured, the Insured's Client, the Contractor and eleven other consultants and sub-contractors who were involved in the project by the Management Company of the development.

The claimant alleged that the Insured had breached its duty to exercise reasonable skill and care in the design and supervision of the construction work and to ensure that the development was reasonably fit for its intended purpose. The claimant sought damages in excess of HKD28M.

Outcome

The Insured appointed panel solicitors to assist in defending them against the dispute. The Policy was triggered and the Policy indemnified the defence costs of HKD624,000. The claim against the Insured was settled at a mediation between the parties for HKD117,000.

Payment: HKD117,000 plus HKD624,000 in defence costs.

Insured by:



Insurance Broker

- ④ 5 staff
- ④ HKD3.9M turnover

Background

A claim was made against the Insured by their client, a recreation club. The client alleged that the Insured misrepresented that their Directors and Officers Policy would cover the club's own rights which was in fact incorrect when a claim was presented to the insurer and was declined. The claimant further alleged that the Insured failed to exercise reasonable skill and care whilst advising and obtaining adequate insurance.

Outcome

The Insured appointed panel solicitors to assist in defending the matter against them. The claim was settled at mediation. The Policy paid a total for settlement costs of HKD1,482,000, and defence costs of HKD351,000.

Payment: HKD1,482,000 plus HKD351,000 in defence costs.

Logistics Operator

- ④ 8 staff
- ④ HKD1.95M turnover

Background

The Insured, a logistics operator, was storing vaccines in its Cold Room for their client. A claim was made against the Insured by their client alleging that there had been a fall in temperature in the Cold Room which was a result of a hardware malfunction, which damaged their products. The Insured notified Insurers for their Fire Policy as well as their PI Policy. The Insurers of the Fire Policy indemnified the Insured to the sum of HKD1,287,000 which was insufficient to meet the total replacement cost of the vaccines due to a global shortage in certain of those vaccines. One of the vaccine's cost had increased from HKD29.02 to HKD519.87 per vial. The Claimant sought further damages of HKD1,950,000.

Outcome

The Insured appointed panel solicitors to assist with managing the claim against them. The Policy was triggered and paid for defence costs of HKD117,000. The claim was settled at a mediation for HKD319,800 which was also indemnified by the Policy.

Payment: HKD319,800 plus HKD117,000 in defence costs.