

Management Liability Claims Examples



Directors and Officers

Engineer

- ⌚ 56 staff
- ⌚ HKD5.3M turnover

Background

The Insured agreed to propagate berry fruit varieties for the claimant who in turn provided them with the plant material. At various times, the claimant would place orders with the Insured to propagate blueberry and raspberry plants. There was a contractual dispute as to whether this agreement applied to all orders with the Insured stating that each order created a separate contract. The claimant sought to terminate the Agreement alleging that the Insured failed to fulfill orders that were placed.

Outcome

The plaintiffs accepted an offer from the Insured to the sum of HKD592,000 in full and final settlement of the claim.

Payment: HKD592,000.

Incorporated Building Owner

- ⌚ 6 staff
- ⌚ HKD3.5M turnover

Background

A claim was made against the Insured by a member of the Incorporated Owners of a building. The claim was filed by way of an application under the Building Management Ordinance against five other members of the Incorporated Owners. The claim alleged that the members had circulated false statements and information with the objective to discredit the claimants, reputation and to support an ongoing effort to remove him as Chairman of the building. This matter was successfully defended.

Outcome

The Insured appointed panel solicitors to assist in the defence of the matter. The Policy was triggered and covered the total defence costs of HKD49,140.

Payment: HKD49,140 in defence costs.

Insured by:



Incorporated Building Owner

- ⌚ 6 staff
- ⌚ HKD5.5M turnover

Background

A claim was made against the Insured by one of the property owners of the building. The claim alleged that the property owner and its tenants have been deprived of their lawful rights to gain access to three lifts of the building.

Outcome

The Insured appointed panel solicitors to assist with managing the dispute. The Policy was triggered and the Insured incurred defence costs of HKD273,000 which were met by the Policy.

Payment: HKD273,000 in defence costs.

Entity

Machinery and Equipment Manufacturer

- ⌚ 8 staff
- ⌚ HKD2.2M turnover

Background

A claim was made against the Insured by a competitor, alleging that they used Google AdWords Advertising to misrepresent their ability to provide the same products and services as the Claimant.

Outcome

The Insured was able to claim under the Entity section of the Policy and were covered for legal defence costs and settlement to the Claimant.

Payment: HKD420,000.

Employment Practices Liability

Retailer

- ⌚ 7 staff
- ⌚ HKD5.9M turnover

Background

An employee of the Insured lodged a complaint with the Human Rights Commission alleging that she had been sexually harassed by the Manager and sought compensation of HKD1,100,000.

Outcome

The Insured was able to claim under the EPL section of the Policy in respect to harassment and discrimination charges, settlement and legal defence costs in defending the claim.

Payment: HKD580,000.

Property Development

- ⌚ 41 staff
- ⌚ HKD7.5M turnover

Background

An employee of the Insured lodged an unfair dismissal with the Fair Work Commission. The employee alleged that he had been terminated because he exercised his right to make a complaint at work. The Claimant sought reimbursement for financial and non financial losses as a result of his termination.

Outcome

The Insured was able to claim settlement and legal defence costs under the EPL section of the Policy.

Payment: HKD650,000.

Food Manufacturer

- ⌚ 7 staff
- ⌚ HKD4.1M turnover

Background

An ex-employee of the Insured lodged an application for Unfair Dismissal with the Fair Work Commission. The claimant alleged that they had been unfairly dismissed from their job because they had not been involved in any misconduct during their employment and the termination process they went through was unfair.

Outcome

The Insured faced reputational damage if the claim proceeded to a public hearing in the Fair Work Commission. DUAL engaged Lawyers to defend the claim who were able to resolve the dispute through a settlement agreement. The Insured was able to claim under the EPL section of the Policy for settlement and legal defence costs.

Payment: HKD561,000.

Charity

- ⌚ 5 staff
- ⌚ HKD3.9M turnover

Background

A claim was made against the Insured by a former employee. The claim alleged that the Insured had unfairly terminated the contract with the employee. The claimant initiated legal action against the Insured claiming compensation for wrongful dismissal and alleging unfair treatment by the Insured.

Outcome

The Insured appointed panel solicitors to assist with managing the defence of the claim. The claim triggered the Policy and the total defence costs of HKD148,200 were met by the policy.

Payment: HKD148,200 in defence costs.

Crime

Food Wholesaler

- ⌚ 40 staff
- ⌚ HKD8.8M turnover

Background

Over the course of 1 year, an employee of the Insured voided sales invoices and embezzled funds from the Company into their personal account totalling HKD400,000.

Outcome

The Insured was able to claim under the Crime section of the Policy for reimbursement of the lost funds.

Payment: HKD430,000.

Building Supplier

- ⌚ 10 staff
- ⌚ HKD1.5M turnover

Background

The Financial Controller of the Insured received an email believed to be from the Director asking them to make a payment of HKD312,000 on an attached invoice. It was later discovered that the email was fraudulent and the email address had one letter different.

Outcome

The Insured was able to claim under the Crime section of their Policy for reimbursement of the loss.

Payment: HKD312,000.