

Directors and Officers Liability Claims Scenarios



Property Developer

- ⌚ 120 staff
- ⌚ \$60M turnover

Background

Action was taken against former Directors of the Insured for breach of duty for making transactions which had not been properly approved or documented. This resulted in the Insured's project failing as they did not have proper working capital to complete the development.

Outcome

The Insured claimed under their policy and indemnity was granted

Payment: \$86,000

Machinery Manufacturer

- ⌚ 300 staff
- ⌚ \$100M turnover

Background

The Director of the Insured entered into an agreement to sell a fleet of their vehicles to the Claimant who was in the business of hiring out transport vehicles. The Claimant agreed to sign the contract on the verbal and written communication with the Director that another contract would be entered into which prevented the Insured from competing against the Claimant and to provide maintenance and repair to the fleet.

The original agreement was signed by the Claimant which didn't contain the restraint from preventing the Insured from competing against the Claimant and allowed them the right to refuse maintenance and repair. The Insured and its Director were aware of this and didn't carry out the second agreement as previously promised with the Claimant. The Claimant then issued

Court proceedings against the Insured and its Director claiming misrepresentation and deceptive conduct by the Director.

Outcome

The Insured claimed under the Directors and Officers section of their Management Liability and was covered under the definition of Insured Person.

Payment: \$60,000.

Fast-Food Retailer

- ⌚ 200 staff
- ⌚ \$10M turnover

Background

A claim was made against the Insured by an ex-employee who had worked as the maintenance worker for the Insured's various stores. The Claimant was made redundant and maintenance was outsourced to a national contractor. The ex-employee claimed for unfair dismissal as his redundancy was due to his age and complaints he had raised previously regarding employment conditions.

Outcome

Indemnity was granted under the Directors and Officers section of their Evolution Policy. Indemnity was granted and the matter was settled for a lump sum payment to the Claimant before going to trial.

Payment: \$135,000.