



# EXECUTIVE PROTECTION PRACTICE

*beyond your expectations*

## CLAIMS SCENARIOS: *Omission commission.*

<i>Coverage</i>	<i>Directors and Officers Liability</i>
Claim	Misrepresentation
Insured	ABC Pty Ltd
Company	Privately held
Number of Employees	18
Annual Revenue	\$50 million

### DESCRIPTION OF EVENT

Certain shareholders purchased a shareholding in ABC Pty Ltd for \$850,000. The shareholders sued certain directors and officers for allegedly making untrue statements of fact and omitting material facts in connection with the shareholding, including information relating to claimed patents, products, experience, prior ownership, employment history, and promises of grants from government agencies. The shareholders claimed damages when they lost most of their investment in the company.

### RESOLUTION

ABC Pty Ltd negotiated a settlement of \$740,000 and paid an additional \$120,000 in defence costs.

#### Chubb Insurance Company of Australia Ltd

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