

Claims Scenarios

Professional Liability

CHUBB®



When managing claims, Chubb's Claims Specialists are attentive to every detail. Based on our extensive claims experience across our suite of professional liability products and solutions, we are able to provide early and effective claims handling while maintaining superior customer service.

Technology

Description of Event: The Insured designed and implemented a software platform for a warehouse operation that had a complex distribution environment. The client alleged the software lacked the necessary functionality as it was unable to track inventory moved from the warehouse to retail stores. It was also alleged the software installed on handheld devices used by warehouse staff failed to properly scan the inventory, resulting in orders being sent to the wrong retailer. In addition, the client asserted the Insured's use of inexperienced staff and the lack of due diligence in examining the warehouse operations caused these failures.

Resolution: The client sought damages in excess of \$1M. The claim was ultimately settled for approximately \$400,000 with defense costs totaling \$100,000, creating a total exposure to Chubb of \$500,000.

Public Officials Liability

Description of Event: A city and its governing board were sued by a citizen alleging due process violations arising from his objection to redevelopment plans. The Insured was successful at the trial and the initial appellate level, but the verdict was ultimately remanded to the trial court, which granted a motion for a new trial. The initial judge had retired and the new judge appeared sympathetic to the Plaintiff's case. Although there were minimal damages asserted, Plaintiff would be entitled to recover attorney's fees if successful.

Resolution: Due to the multiple appeals, costs were high. The case was ultimately settled for approximately \$900,000 with defense costs totaling \$900,000, creating a total exposure to Chubb of \$1.8M.

Miscellaneous Professional

Description of Event: A board member of the residual beneficiary of a trust sued the Insured Trustee. Plaintiff alleged the Trustee wrongfully negotiated a settlement with a relative of the deceased individual who funded the trust, thereby diminishing the amount ultimately available to the residual beneficiary. Plaintiff sought restitution of \$15M plus fees.

Resolution: The matter was dismissed after a vigorous defense. Defense costs totaled approximately \$700,000.

Employed Lawyers Liability

Description of Event: In-house counsel was sued along with other directors and officers of an LLC in connection with a joint venture that resulted in a contested dissolution. The lawsuit included allegations of aiding and abetting breach of fiduciary duty. The case went to trial and the underlying limits of the company's D&O insurance policy were exhausted by defense costs, triggering the in-house counsel's Employed Lawyers coverage to cover her costs of the appeal and potential indemnity.

Resolution: The \$2M limit of the Employed Lawyers insurance policy will likely be exhausted by ongoing defense costs and/or a cost of defense settlement.

Contact Us

For more information on Chubb Professional Liability insurance solutions, contact your local agent or visit www.chubb.com/us/professionalliability.

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