



## PROFESSIONAL INDEMNITY CLAIMS EXAMPLES

### Section: Design & Engineering

Profile	Background	Outcome
<b>Fire Safety and Building Surveying Engineer, 6 staff, \$700,000 fees.</b>	The Insured certified the design of an apartment building in which a significant fire subsequently occurred. The Insured was subject to investigations by the Building Consent Authorities and the Building Practitioners Board.	The Insured was covered for legal costs incurred in relation to responding to the investigation.  Payment: <b>\$100,000.</b>
<b>Land Surveyor and Town Planning/ Building Surveyor, 5 staff, \$500,000 fees.</b>	A claim for loss and damage was made against the Insured in regards to providing incorrect advice on the potential subdivision of a property a client of the Insured had purchased.	The Insured was covered for legal and defence costs in relation to responding to the claim.  Payment: <b>\$800,000.</b>
<b>Mechanical Engineer, 7 staff, \$400,000 fees.</b>	A claim was made against the Insured for work they did to a property involving cantilevered roof and supports. It appeared that some of the rafters had deformed and welds had cracked. The claimant sought damages of \$200,000 as a result of having to rectify the property.	DUAL appointed lawyers to defend the claim as well as an expert engineer to act as a loss adjuster. The expert engineer was able to determine the reasonable cost of the loss, and the lawyers were able to secure a fair settlement.  Payment: <b>\$185,000.</b>
<b>Land Surveyor, 12 staff, \$2,400,000 fees.</b>	A claim was made against the Insured by one of their client's alleging that a survey was conducted on the wrong basis. The claimant alleged that they relied upon the survey to enter into a fixed-price contract for earthmoving works. As a result of the incorrect survey, the earthworks costs \$160,000 more than anticipated and the client sought reimbursement of these extra costs from the Insured.	After investigations were carried out, it was determined the Insured made an error when completing the survey. DUAL appointed lawyers to defend the claim and the matter was settled.  Payment: <b>\$129,000.</b>

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<p><b>Landscape Architecture, 23 staff, \$650,000 fees.</b></p>	<p>The Insured was engaged by a Government body to provide landscape architecture and supervision services in relation to a public space development. Whilst at the water play area of the development, a member of the public slipped and injured themselves. The patron sued the Government body who in turn claimed against the Insured. The Government body claimed that the Insured should contribute towards any settlement on the basis that they were negligent in their design. The injured person sought approximately \$200,000 in damages.</p>	<p>Indemnity was granted and lawyers were appointed by DUAL to defend the claim. Upon review the of the Claimants injuries, and their actions contributing to the injury, the cost of the claim was determined to be considerably less.</p> <p>Payment: <b>\$7,000.</b></p>
<p><b>Building Surveyor Consultants, 55 staff, \$230,000 fees.</b></p>	<p>A client of the Insured served proceedings against them, alleging that the Insured approved building work which was defective and, following demolition and re-start, approved new building work which was also defective. They further alleged that the Insured approved revisions to plans without their authority or consent.</p>	<p>DUAL appointed lawyers to act on the defence of the Insured. The matter settled in favour of the client.</p> <p>Payment: <b>\$143,000.</b></p>

### Section: Real Estate

Profile	Background	Outcome
<p><b>Real estate agent, 5 staff, \$500,000 fees.</b></p>	<p>A client of the Insured alleged that the Insured had breached their duty of care in managing their property when they fell on some loose stairs and were seriously injured. The client sought personal injury damages in the sum of \$400,000.</p>	<p>The Insured was able to claim cover under the civil liability and defence costs sections of their Policy. An early settlement was reached with the claimant with payment split between the agent and landlord.</p> <p>Payment: <b>\$50,000.</b></p>
<p><b>Property Manager, 8 staff, \$250,000 fees.</b></p>	<p>A client of the Insured sued the Insured after she fell off the front porch (because of defective steps), injuring her ankle. The claimant served expert reports stating that the steps were not compliant with the New Zealand Building Code.</p>	<p>The Insured was able to claim under the Policy. During the hearing it was revealed that the claimant had not mentioned their injury in 2 years and had returned to pre-injury employment. The matter settled with the Insured having to pay \$55,000 to the claimant (the remainder of the settlement was paid by the landlord).</p> <p>Payment: <b>\$55,000.</b></p>

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<p><b>Strata Management, 5 staff, \$430,000 fees.</b></p>	<p>The Insured was the agent for a common property, including a communal toilet area. The Insured shared responsibility of the toilet area with 3 other parties who all shared a duty of care to ensure the area was safe for customer use. Whilst leaving the toilet, a patron slipped on water on the floor, resulting in serious bodily injury.</p>	<p>The patron assessed their claim at \$1,100,000. DUAL appointed lawyers to work closely with the representatives of the other parties in managing the claim. After an informal settlement conference, the claimant reassessed their claim at \$200,000. The matter was settled for \$120,000 split equally between the 4 parties.</p> <p>Payment: <b>\$30,000.</b></p>
<p><b>Auctioneer, 30 staff, \$1,200,000 fees.</b></p>	<p>The Insured acted as the auctioneer for the sale of a property. The purchaser of the property sued the Insured and Real Estate agent, alleging that they made illegal vendor bids above the reserve price of the property. This meant that the claimant kept increasing their bid despite already making a bid over the reserve. The claimant sought \$65,000 in damages.</p>	<p>Cover was granted under the Policy and DUAL appointed lawyers to defend the claim against the Insured. Final payment was considerably higher than settlement due to the defence costs involved in defending and settling the claim.</p> <p>Payment: <b>\$325,000.</b></p>

### Section: Accountant

Profile	Background	Outcome
<p><b>Accounting firm, 20 staff, \$2,000,000 fees.</b></p>	<p>A former client made a claim against the Insured regarding negligent advice in regards to making contributions into their Self Managed Super Fund (SMSF).</p> <p>The clients Financial Planner had prepared a Statement of Advice recommending the superannuation contributions which the Insured approved. As a result, the claimant had to pay \$150,000 in excess contributions liability.</p>	<p>The Insured claimed under the Policy. Commercial settlement was reached between the parties and a deed of release was signed.</p> <p>Payment: <b>\$99,000.</b></p>
<p><b>Accounting Consulting Firm, 7 staff, \$1,000,000 fees.</b></p>	<p>A client alleged that their income tax returns the Insured had prepared, were incorrect. As a result, they suffered a loss and sought reimbursement of \$120,000.</p>	<p>The Insured was able to claim indemnity under the policy.</p> <p>Payment: <b>\$130,000.</b></p>
<p><b>Accountant, 30 staff, \$380,000 fees.</b></p>	<p>The Insured was asked by a client to review their company's financial circumstances to see if there was any fraudulent or dishonest conduct. The Insured reviewed the financials and advised the client that there were no irregularities. The client alleged that the Insured breached their duty of care by failing to adequately investigate their financial circumstances and lodged a complaint with the Certified Practising Accountants (CPA).</p>	<p>CPA reviewed the Insured's submission and determined that the Insured had no case to answer for. The client dropped their case against the Insured and only defence costs were paid.</p> <p>Payment: <b>\$23,000.</b></p>

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### Section: Consultant

Profile	Background	Outcome
<b>Crop Adviser, 15 staff, \$460,000 fees.</b>	The Insured was hired to provide advice to a customer regarding the correct management of their crops. The Insured failed to consider the soil residual herbicide that had been applied to the crops in the year prior and, as a result, the crops failed. The client sought reimbursement for loss of income and yield loss from the Insured.	The Insured claimed under the Policy and DUAL appointed lawyers to assess the loss of the claim. Payment was made to the client subject to them signing a deed of release.  Payment: <b>\$60,000.</b>
<b>Marketing Firm, 4 staff, \$120,000 fees.</b>	The Insured notified DUAL that they had been served with an originating process by FMA. FMA alleged that the Insured had made misleading and deceptive representations on their website regarding their services.	The Insured claimed under the Policy and cover was granted.  Payment: <b>\$12,200.</b>