



INVESTMENT MANAGERS INSURANCE CLAIMS EXAMPLES

Profile	Background	Outcome
<p>Finance/ Mortgages, 16 staff, \$4,100,000 turnover</p>	<p>The Insured was alleged to have made misleading and deceptive representations contained within their PDS to the claimant outlining that they had experience in valuing properties similar to security property, held adequate insurance and that the LVR would not exceed 60% of the valuation made.</p> <p>Subsequent investigations revealed that whilst the insurance position could not be held liable, there was no evidence to support that they indeed had the requisite experience and there were also inconsistencies found with the LVR deviating between 60-66.67%.</p> <p>The claimant sought damages of \$1,171,000.</p>	<p>The Policy was triggered and cover was provided for the Insured's direct financial loss.</p> <p>Payment: \$350,000 and \$117,500 for defence costs.</p>
<p>Funds Manager, 3 staff, \$1,900,000 turnover</p>	<p>The Insured specialised in attracting foreign nationals to invest in Australian property-related funds to enhance their visa prospects. This Claimant invested \$4.5M in the property fund allegedly on the basis that at the time the Insured knew the property was valued at \$13M.</p> <p>Following the investment, the Insured made a loan of \$17M to a property developer. The Claimant was allegedly told if the property developer defaulted on the loan, the Claimant would have first rights to the subject property. The property developer borrowed further money from a separate lender which included a mortgage over the property. The property developer defaulted on the loan and the property was repossessed by the finance company.</p> <p>The Claimant sued for its loss of investment and associated losses.</p>	<p>Payment: \$1,500,000 and \$350,000 for defence costs.</p>

The information contained in these claims examples are meant as a hypothetical guide only. DUAL Australia does not accept any liability arising out of any reliance on the information on these claims examples. We urge you to consult your insurance broker, the Insurance Council of Australia or the Financial Ombudsman Service for further information. If you are unable to resolve any issues you may have, you may need to obtain independent legal advice. If you are unable to resolve any issues you may have, you may need to obtain independent legal advice.

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