



SOLE TRADERS & PARTNERSHIPS MANAGEMENT LIABILITY CLAIMS EXAMPLES

Section: Directors and Officers

Profile	Background	Outcome
Restaurant, sole trader employing 4 staff, \$350,000 turnover.	A marketing firm was sued for misleading and deceptive conduct by one of the Insured's competitors for advertising that the Insured restaurant employed a celebrity chef when this particular chef was actually employed by the competitor. The marketing firm then joined the Insured Sole Trader to the proceedings alleging that they provided them with a verbal and written statement that this celebrity chef was employed in their restaurant.	The Policy was triggered and indemnity was extended to the Insured. The claim was ultimately settled out of court for the amount of \$50,000. The Insured agreed to pay half the settlement with their marketing firm paying the remainder. Payment: \$20,000.

Section: Entity

Profile	Background	Outcome
IT services, partnership employing 15 staff, \$500 turnover.	A claim was made against the Insured by a competitor, alleging that they used Google AdWords Advertising to misrepresent their ability to provide the same products and services as the Claimant.	The Insured was able to claim under the Entity section of the Policy and were covered for legal defence costs and settlement to the Claimant. Payment: \$42,000.
Excavations services, partnership, 3 staff, \$95,000 turnover.	The Insured was contracted to undertake earth moving work as part of a regeneration project. The Insured's employee was engaged as a Truck Operator and was required to drive an articulated dump truck to move topsoil as part of the regeneration project. The Insured's employee suffered a serious injury as a result of a specific project. The Regulator an SafeWork NSW inspectors conducted an investigation into the incident.	DUAL's Policy responded to the Investigation under the entity additional benefit and panel lawyers were engaged to assist the Insured in the interviews. Payment: \$15,000.

Section: Employment Practices Liability

Profile	Background	Outcome
Retailer, sole trader employing 7 staff, \$700,000 turnover.	An employee of the Insured lodged a complaint with the Human Rights Commission alleging that she had been sexually harassed by the Insured and sought compensation of \$1,100,000.	The Insured was able to claim under the EPL section of the Policy in respect to harassment and discrimination charges, settlement and legal defence costs in defending the claim. Payment: \$250,000.
PR Agency, sole trader employing 7 staff, \$800,000 turnover.	An ex-employee of the Insured lodged an application for Unfair Dismissal with the Fair Work Commission. The claimant alleged that they had been unfairly dismissed from their job because they had not been involved in any misconduct during their employment and the termination process they went through was unfair. The Claimant sought reimbursement for financial and non financial losses as a result of his dismissal.	The Insured faced reputational damage if the claim proceeded to a public hearing in the Fair Work Commission. DUAL engaged Lawyers to defend the claim who were able to resolve the dispute through a settlement agreement. The Insured was able to claim under the EPL section of the Policy for settlement and legal defence costs. Payment: \$23,000.
Licensed restaurant, partnership employing 20 staff, \$1,000,000 turnover.	A customer was refused entry into the Insured's venue for wearing a singlet which was against the venue's Dress Code regulations. The Customer lodged a claim with the Anti-Discrimination Board alleging that the venue's dress code was discriminatory as a female patron was allowed entry wearing a singlet.	The Insured agreed to provide a formal apology to the patron and arrange for staff training to better handle similar situations. The Insured was able to claim for legal costs in relation to defending the claim under the EPL section of the Policy. Payment: \$21,500.
Real Estate Agent, sole trader employing 6 staff, \$1,300,000 turnover.	The Claimant brought action against the Insured for unlawful sexual discrimination, harassment, victimisation and racial discrimination made towards them in the workplace.	The matter was taken to mediation and a settlement was eventually reached. The EPL section of the policy was triggered and payment was made in relation to the settlement and defence costs in defending the claim. Payment: \$80,000.

Section: Crime

Profile	Background	Outcome
Accountant, partnership employing 4 staff, \$100,000 turnover.	Over the course of 3 years, an employee of the Insured voided sales invoices and embezzled funds from the Company into their personal account totalling \$25,000.	The Insured was able to claim under the Crime section of the Policy for reimbursement of the lost funds. Payment: \$30,000.
Veterinary Clinic, sole trader employing 7 staff, \$300,000 turnover.	An employee of the Insured's Clinic defrauded the Insured by fraudulently using the company credit card, making payments to a fake supplier and overpaying their wages. When the fraud was discovered, the employee took their own life. The total amount embezzled from the company was \$50,000.	The loss nearly forced the Insured out of business however they were able to seek full reimbursement (subject to the Policy excess) for the fraud under the Crime section of their Policy. Payment: \$40,000.

Section: Tax Audit

Profile	Background	Outcome
Bed and Breakfast Hotel, sole trader employing 7 staff, \$900,000 turnover.	The Office of State Revenue conducted an audit in relation to tax returns previously lodged by the Insured.	The Insured purchased the Tax Audit Extension under their Management Liability Policy and were able to claim in respect to Accountants' costs in responding to the audit. Payment: \$40,000.
Marketing Company, partnership employing 40 staff, \$4,000,000 turnover.	The Insured was the subject of an ATO Audit for its tax returns between the years of 2011 – 2015.	The Insured engaged their Accountant to assist in responding to the audit. The Insured was able to claim under the Tax Audit section of the Policy in respect to reimbursement for Accountant fees. Payment: \$50,000.

Section: Statutory Liability

Profile	Background	Outcome
Construction, sole trader employing 5 staff, \$250,000 turnover.	A series of safety lapses and a failure to check due process and procedures led to an incident where an employee of the Insured injured his arm.	The Statutory Liability section of the Policy was triggered. The Insured received a \$400,000 fine under the OH&S Act and incurred close to \$200,000 in defence costs in defending the claim. Payment: \$250,000.
Trade Services, sole trader employing 4 staff, \$750,000 turnover.	A young employee of the Insured suffered a serious crush injury to his hand at work which resulted in the amputation of four fingers. SafeWork alleged that the Insured failed to provide a proper induction, adequate instructions on the operation of a press machine and supervision to the employee.	The Statutory Liability section of the Policy was triggered. Indemnity was paid to the Insured for defence costs. Payment: \$50,000.