

A VL real life claim example



# Defamation

## Commercial Mis-statements

The Insured was one of a group of three companies which allegedly conspired to make false and misleading statements about one of their competitors for the purpose of luring away its customers and inducing them to breach contracts.

The aggrieved firm filed proceedings claiming \$1.1m damages for defamation, loss of business and damage to reputation. The defence was that allegedly defamatory statements were not directed specifically at the claimant and were no more than expressions of general views of market conditions.

This claim was indemnified under the Defamation extension of a Professional Indemnity policy. The proceedings were settled at mediation with a payment of \$325,000 to the plaintiff. The legal costs were substantial.

CEG 019-102019/000



## A VL real life claim example

# Defamation

## Newspaper Reporting

The Insured was a provincial newspaper. It was reporting on forthcoming elections to a regional development trust. The point at issue was a perceived or alleged improper influence by a trust officer to secure an appointed trusteeship for a specific person.

The trustee issued proceedings against the newspaper's publishers alleging that it had misreported the affair to his detriment and that a tape-recording of an interview which was the basis of the reportage had been tampered with to misrepresent what was said in the interview. The report also contained verbatim derogatory statements by other trustees.

Appointed lawyers defended the claim on the basis of "honest opinion" and "qualified privilege". The claim was settled. Defence costs amounted to \$41,000.

CEG 020-102019/000