



A VL real life **claim example**

# Employers Liability

## Legionnaires Disease

The Insured operated a clothing factory in its old multi-storey building which had an air-conditioning system. Several employees contracted Legionnaires disease.

It was determined that the source of the infection was in the air conditioning system which the Insured, who was also the building owner, had failed to maintain adequately. As there was no ACC cover for the illness, the employees sued the Insured for loss of wages and other general damages.

The Insured's claim was accepted under its Employers Liability policy and was settled out of court for \$34,000. Legal costs amounted to \$28,000.

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## Post Traumatic Stress

The Insured company, commercial photographers, had a contract with a Government department to produce videos for the personnel training. This work was done solely by a specialist employee. Much of his work involved filming and editing disturbing material. The employee eventually developed a severe stress condition and his employment was terminated on an agreed basis. Nonetheless he issued a civil claim against the Insured.

The court found that the stress was caused by the nature of his work and that the Insured had failed to take adequate precautions to mitigate his stressful duties, despite being aware of the issue for a long period of time. The claim was unsuccessfully defended and the Court awarded damages of \$200,000 which was indemnified under the Employers Liability policy. Legal costs were around \$80,000.

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