

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.

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