



A VL real life claim example

Professional Indemnity

Breach of Security Interests

The Insured is an auctioneer. The claimant is a Japanese used vehicle importer. It supplies vehicles to several NZ vehicle dealers.

One of the dealers went into liquidation. The dealer owed significant sums of money to the plaintiff.

The failed dealer had been selling the majority of the vehicles (supplied by the importer) through the Insured's auctions. The basis of the claim alleged that the Insured had converted the importer's security interest in the vehicles by selling them at less than market value and in many cases less than NZ landed cost.

The importer issued proceedings against the Insured. The Insured's defence was that by its very nature an auction determines "market value" and that the Insured had no means of knowing landed cost nor did it need to.

The matter proceeded to trial and was successfully defended.

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