

# Evolution Claims Examples



## Crime

### Agriculture

- ⌚ 450 staff
- ⌚ \$170M turnover

### Background

The Insured discovered that a long standing contractor (who was also a former employee) had been misappropriating funds over a 6 year period by adding an additional 0 to his weekly contractor payments. The contractor was then creating fake invoices for fictitious purchases to conceal the fraud. The total stolen was quantified at \$9.8m.

### Outcome

The Policy was triggered and cover was provided for the Insured's direct financial loss.

**Payment:** \$1,000,000 (full Indemnity Limit) and \$40,000 loss investigator fees.

### Information Technology

- ⌚ 32 staff
- ⌚ \$7.7M turnover

### Background

The Insured's CEO was found to have been misappropriating company money by submitting false business expense claims. The CEO was creating fake invoices which contained bank details of companies owned by the CEO. The CEO misappropriated approximately \$600,000 over a period of 2 years. DUAL appointed a loss investigator to investigate the loss and these costs were also covered under the policy.

### Outcome

The Policy was triggered and cover was provided for the Insured's direct financial loss

**Payment:** \$620,000 was paid for direct financial loss plus \$10,000 loss investigator fees.

### Transport and Logistics

- ⌚ 41 staff
- ⌚ \$7.5M turnover

### Background

The Insured owns and operates storage warehouses. The Insured notified they have discovered missing stock valued at approximately \$700,000.00. The discovery was made when the stock was due for delivery but could not be located. It was later confirmed that the Insured's warehouse manager was the perpetrator.

### Outcome

The Policy was triggered and indemnity was granted in relation to the direct financial loss as a result of the fraud.

**Payment:** \$700,000 was paid for the direct financial loss.

## Retail

- ⌚ 8 staff
- ⌚ \$2M turnover

## Background

The Insured's receptionist and administrative assistant misappropriated approximately \$280,000 from the Insured over the course of 2 years. The perpetrator was one of the staff members with the ability to create and authorise payments in the Insured's online banking system. The perpetrator also created fake invoices to conceal their crimes.

## Outcome

A loss investigator was appointed by DUAL and the policy was triggered.

**Payment:** \$290,000 direct financial loss and \$20,000 in loss investigator fees.

# Statutory Liability

## Transport and Logistics

- ⌚ 91 staff
- ⌚ \$26M turnover

## Background

The Insured operated a bonded warehouse. A number of bottles of alcohol went missing and was only identified during an ATO audit on the goods and duties paid on the stock. The ATO submitted a statutory demand to the Insured to pay the equal amount to the unpaid duties owed on the goods.

## Outcome

The Policy was triggered as the penalty was issued against the Insured. DUAL offered indemnity to the insured to pay for the fine.

**Payment:** \$379,506.37 for defence costs and settlement.

## Property Owners

- ⌚ 2 staff
- ⌚ \$2M turnover

## Background

Energy Safe Victoria (ESV) was investigating the circumstances of a fatality following a coronial inquest into the incident. The fatality involved the Insured's product being a space heater. The heater combined with environmental factors (inadequate ventilation and poor maintenance) was emitting carbon monoxide toxins which caused the death of the individual, has suffered depression and now unable to re enter the workforce due to her mental distress.

## Outcome

There was an investigation against the Insured and the safety of the space heaters they were producing. DUAL granted indemnity under the pollution clause of the Policy and defend the Insured during the investigation.

**Payment:** \$86,000 for defence costs.

## Construction/ Building

- ⌚ 495 staff
- ⌚ \$210M turnover

### Background

The Insured was prosecuted under the relevant Occupational Health and Safety laws for not having adequate working processes and lack of safety protocols in place when an individual in the Insured's care, was injured whilst operating pulley machinery.

### Outcome

The Policy was triggered as it was a prosecution against the Insured. DUAL granted cover and defended the matter.

#### Payment:

\$165,000 for defence costs.

## Trade Services

- ⌚ 5 staff
- ⌚ \$2M turnover

### Background

There was a death of a worker, employed by a labour hire company, on the Insured's building site. The worker was attempting to fix a roof sheet to a granny flat when a gust of wind picked up the roof sheeting, knocking the worker from the ladder causing him to fall 3.4m and sustain fatal injuries. An investigation was commenced by SafeWork NSW followed by a prosecution against the Insured Company and Director for breaches of OH&S legislation.

### Outcome

DUAL appointed Panel Lawyers to assist the Insured during the investigation and prosecution as the policy was triggered.

**Payment:** \$250,000 defence costs.

## Directors and Officers Liability

## Information Technology

- ⌚ 10 staff
- ⌚ \$600K turnover

### Background

The Insured's former Director had been served with a Section 19 Notice from ASIC which required the former Director to appear and be examined on particular documents that had been prepared by the Insured.

### Outcome

The Insured claimed under their policy and indemnity was granted for investigation costs to the former Director.

**Payment:** \$7,209.00 for defence costs.

## Retailing

- ⌚ 40 staff
- ⌚ \$7.5M turnover

### Background

The Policyholder commenced proceedings against a former director alleging that he entered into a transaction to acquire a subsidiary without approval of the Board/ Company. The subsidiary did not perform well and eventually went into liquidation. The Policyholder alleged the former director was responsible for any losses the Policyholder sustained due to the subsidiary performing poorly.

### Outcome

The Policy was triggered and indemnity was granted.

#### Payment:

\$550,000 for settlement and \$685,000 for defence costs.

## Excess Directors and Officers Liability

## Agriculture

- ⌚ 19 staff
- ⌚ \$10.9M turnover

### Background

The Policyholder and numerous directors were subject to an investigation by the Independent Commission Against Corruption (ICAC). The ICAC investigation also led to other claims against directors alleging misleading and deceptive conduct.

### Outcome

The \$5M limit of indemnity of the Primary Policy was exhausted. The Excess Layer Policy was triggered in respect of both the investigation and claims.

**Payment:** \$2,900,000 settlement and \$950,000 defence costs.