

## Case Studies

### Case 1

**Insolvency Practitioner claim against insurer who had refused to meet a large industrial claim alleging material non disclosure and misrepresentation.**

£500,000 cover was arranged on a conditional premium basis, whereby the premium was only payable upon the insured achieving a successful outcome. As the case progressed towards trial the defendants increased their costs estimate to £1,000,000 and demanded security.

Further cover was arranged with the insurers providing a deed of indemnity in the amount of £500,000 enabling the case to be taken to trial.

The claimants succeeded on the grounds of waiver and following an appeal the matter reached a satisfactory settlement. Since the case went all the way the full premium became payable by the insured but was later recovered from the defendants as part of a global settlement.

### Case 2

**Insolvency Practitioner claim against former director for misfeasance and sale at undervalue.**

Cover was arranged for opponents' costs. A judgment was obtained but the defendant absconded and the creditors were unwilling to pursue the matter any further. Since payment of premium dependant both on success and the actual recovery of funds no premium was payable.

### Case 3

**Claim by developer against lawyer for alleged failure to detect possible title impairment in land value.**

Cover was arranged for opponents' costs and own counsel. The solicitor acted on a CFA. The case went to mediation where a settlement was agreed. Since lists of documents had yet to be exchanged the amount of premium payable was 50 % of the total and was fully recovered from the defendant's insurers.

### Case 4

**Insolvency Practitioner claim against former directors.**

Initially the prospects appeared good and cover was arranged. Two days before trial counsel re-evaluated the case on the basis of evidence which had previously been considered to be insignificant and advised the case was certain to lose. Insurers consented to withdrawal on best terms involving payment of agreed opponents' costs and counsel's fees to the date of the hearing.