

Private Company Loss Scenarios from Chubb



A Cashless Settlement

COVERAGE SECTION	Directors & Officers Liability
Cause of action	Unfair Competition
Type of organization	Private
Number of employees	22
Annual revenue	\$650,000

DESCRIPTION OF EVENT

Smith, the former CEO of XYZ Inc., left the company to start up a new software firm, New Co. Soon afterward, XYZ sued Smith individually as an officer of New Co., alleging that Smith had taken with him a corporate license to market certain software. XYZ's allegations included tortious interference, trademark infringement, and unfair competition. In its suit, XYZ demanded \$10 million in damages, as well as punitive damages.

RESOLUTION

Smith settled with New Co. for a payment of \$100,000. Additionally, Smith accumulated \$245,000 in defense expenses.



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Could this happen to your organization? Contact your trusted Chubb agent or broker.

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