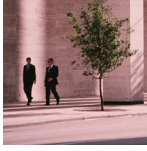


Private Company Loss Scenarios from Chubb



Pressure-Packed Lawsuits

COVERAGE SECTION	Directors & Officers Liability
Cause of action	Breach of Duty of Care
Type of organization	Wholesale Clothing Firm
Number of employees	137
Annual revenue	\$106 million

DESCRIPTION OF EVENT

Time pressures in the women's fashion industry contributed to lawsuits filed against directors and officers of ABC Textiles Inc., a wholesale women's clothing firm. ABC, which needed to sell its products quickly, had pressured the freight hauler to release the goods prior to presentation of a bill of lading evidencing payment for the textiles. Having not been paid, the suppliers of the textile products sued the freight hauler, who in turn sued ABC Textiles Inc. The charges included breach of duty of care, conspiracy, fraud, and misrepresentation.

RESOLUTION

After incurring defense costs of \$813,000, ABC paid a settlement of \$660,000 to the freight hauler.



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

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