

# What Have We Paid Lately?

## Chubb Canada Claims



The true measure of an insurance carrier is how it responds to and manages your claim. We understand that when you buy insurance, you're really buying peace of mind. Chubb's guiding claims principle has been to treat each customer the way we would like to be treated if we were to experience the same loss - with integrity, empathy, promptness, expertise and fairness. This is the Chubb difference that we bring to all of our lines of business across Canada, with offices in Montreal, Toronto, Calgary and Vancouver.

Here are some examples of policies that we offer and corresponding claims that we have handled and paid lately:

Type of Coverage	Amount Paid	Details of Claim
Executive Protection - Insuring Clause 1 - direct loss by an Insured due to a crime committed by an employee	\$1,100,000	Our Insured, a dual listed public company with over 8,000 employees worldwide, discovered employee fraud that had been ongoing since 2009. The employee in question was in the payroll department and had been extracting unauthorized payments from the Insured through the payroll process. In 2009, the employee had transitioned from one company location to another, and managed to set up a recurring salary from her original location in addition to the salary being paid by the new location. In the transition she also afforded herself a severance payment as well as a relocation bonus and expenses. The fraud was discovered by a whistleblower when the employee took on a new role at a third location. The Proof of Loss submitted by our Insured totaled an estimated \$1,200,000 CAD over the course of 6 years. When the claim was reported in July 2016, the Chubb examiner, crime claim specialist, was assigned the matter and promptly attended at the Insured's office and worked with the Insured and its payroll system to verify the amount claimed in the Proof of Loss. Chubb paid \$1.1 Million (the Insured paid the \$200,000 deductible) for the losses suffered and an additional \$14,000 for third party accounting expenses. Given that the examiner had crime adjusting expertise, no outside adjuster was hired and Chubb was able to verify the amount within one month of the submission of the final Proof of Loss. The Insured was pleased with the outcome offering their thanks to the examiner for her professionalism and diligence throughout the process.

Type of Coverage	Amount Paid	Details of Claim
<b>Commercial Insurance - Products Liability</b>	\$312,000	Chubb's Insured is a distributor of household goods. Through an unfortunate accident, an individual using the product was injured when he suffered burns as a result of the alleged failure of the product. A lawsuit was commenced in the United States against our Insured, the manufacturer, the retailer, and an additional distributor. The plaintiff sought damages for medical expenses, future loss of earnings and/or earning capacity, pain and suffering and damages on behalf of his wife. With the help of Chubb's panel counsel, an expert in product liability who was retained to defend our Insured, the matter progressed through discoveries to mediation, where a settlement of \$400,000 USD was negotiated. Under the terms of the settlement, each of the co-defendants paid \$100,000 USD to the Plaintiff in connection with his damages. In addition to the \$100,000 USD settlement, Chubb funded defence costs of \$180,000 CAD. The Insured was pleased with the shared settlement and grateful to both Chubb and the panel law firm for resolving the matter fairly and quickly.
<b>Personal Insurance - Property</b>	\$1,360,000	Our Insured purchased a new home and commenced major renovations to replace the kitchen, windows and bathrooms. The renovation work was 99% complete and our Insured was scheduled to move into the home that same week. However, a large fire broke out in the electrical room causing extensive damage to the newly renovated home. Given that the renovations were essentially complete, the Insured had sold the home she was currently living in. Shortly after the loss, Chubb negotiated a living expenses settlement that compensated the new buyer (who was on an extended vacation) and allowed our Insured to remain in her home while the repairs were being completed. The damage to the home was extensive, totaling \$1.36M, including the balance owed on the original restoration work and designer fees. The Insured was grateful for the help of the Chubb adjuster while dealing with such a difficult loss.
<b>Accident &amp; Health - Mandatory Critical Illness Coverage</b>	\$10,000	Our Insured, an employee covered under her employer's group critical illness plan, was diagnosed with breast cancer. She originally didn't consider the need for the benefit thinking she would not seek payment under the plan given provincial health care and her company's disability plan. The diagnosis of a large tumor indicated that surgery for bi-lateral mastectomy was required, followed by 5 rounds of chemotherapy and 5 weeks of daily radiation. The time off work was forecasted to be almost a year, which was more than she expected. What she also did not forecast was all the additional expenses that would quickly start to consume the remainder of her savings. She submitted her claim for additional expenses to Chubb for payment under the \$10,000 Critical Illness benefit and full payment was approved within weeks. She wrote to Chubb to say thank you: <i>"Within weeks of my diagnosis, I received the cheque and was able to put it in an account to cover all the unexpected costs. I am beyond thankful for the ease and extra cushion it offered me."</i>
<b>ForeFront Portfolio - Cyber</b>	\$80,000	Our Insured, a privately held company in the healthcare industry, was named as a defendant in a privacy breach class action. The allegations concerned the loss of patient data by a third party consultant who had a laptop stolen. It was alleged that the laptop contained unencrypted data and that the Insured was negligent and breached its duty of care with respect to supervision of its consultant and the collection, retention, disclosure and safekeeping of the personal information. Breaches of the applicable provincial privacy legislation were also alleged. Damages sought were in excess of \$10M and included compensation for monitoring costs, increased risk of future identity theft, damage to credit reputation and mental distress. Punitive damages were also sought. Chubb appointed cyber panel counsel and worked with the Insured to aggressively defend the matter at the preliminary (pre certification) stage, arguing that an administrative proceeding monitored by a privacy specialist to adjudicate each claim would be a preferable procedure to a class action. Expert evidence was led in this regard by both parties. Chubb also led a strong defence that the third Party consultant should be liable for all damages, given a hold harmless clause in the contract between our Insured and the consultant. The matter settled two years later prior to certification for over \$700K. The settlement was funded by the third Party consultant and our Insured was not required to contribute any amounts. Chubb paid approximately \$80K in defence costs. The Insured had a \$5K deductible.

## Chubb. Insured.<sup>SM</sup>

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