



ENCON Group Inc.
500-1400 Blair Place
Ottawa, Ontario K1J 9B8
Telephone 613-786-2000
Facsimile 613-786-2001
Toll Free 800-267-6684
www.encon.ca

Claims Examples

Errors & Omissions Management Consultants

1. Third Party Claim

The Insured was a human resources management consulting firm. They had been retained by a high profile company to locate and screen potential candidates for a senior managerial position. After an exhaustive national search, the Insured presented several candidates for consideration. Three of the applicants were chosen for a series of interviews with the company's Board of Directors. The position was offered to the Board of Director's first choice, who accepted after negotiating the terms of her employment.

Although initially pleased with their new senior manager, the Board of Directors dismissed her after less than a year. When she sued the company for damages for wrongful termination, the company commenced a Third Party Claim against the Insured. The company alleged that the Insured had breached its fiduciary duty in failing to conduct a thorough background check on the candidate and that the Insured had been negligent in recommending a candidate who was not qualified for the position. After several years in litigation, the Insurers settled on the eve of trial for \$15,000. Legal costs were in the order of \$65,000. The Insured contributed its \$5,000 deductible.

These Claims Examples are for illustrative purposes only. Please remember that only the insurance policy can give actual terms, coverage, amounts, conditions, and exclusions.