

Miscellaneous Professional Liability

Small business owner claims scenarios

Small business owners who provide professional services are susceptible to their customers claiming negligence, misrepresentation, error or omission in the rendering of those services.



Marketing consultant

An online retailer with declining sales hires a sales and marketing consultant to offer guidance on how to grow revenue. After hearing the consultant's detailed plan, the retailer agrees to implement the consultant's recommendations. Revenues plummet within months and the retailer is forced to close. They file a lawsuit against the consultant alleging negligence, claiming the data provided was grossly inaccurate and resulted in the company's significant decline in revenue.

Settlement: \$5,000

Defense expense: \$7,200



Employment agency

An employment recruiting firm is hired by a start-up technology company to find qualified candidates to fill open positions. After several months, the firm refers just three candidates. The company decides to hire one and moves quickly to have the candidate start as soon as possible. While performing the criminal background check, the tech company discovers the candidate has two felony assault convictions and active restraining orders. They bring a lawsuit against the recruiting firm alleging negligence in performing the contracted services.

Total settlement*: \$5,000

Defense expense: \$2,300



Travel agent

A family engages the services of a travel agent to plan their family reunion trip in the Bahamas. The travel agent books the cruise for the family as requested. However, the agent mistakenly booked each family member's flight to the port city on the wrong day. This results in rebooking flights as well as paying additional fees with the cruise company to accommodate late arrival. The family immediately demands reimbursement from the travel agent for the additional costs associated with this error.

Settlement: \$10,310

Expense: \$3,000



Photographer

A commercial photographer is hired by an industry trade association to capture photos for the duration of a large convention. The association plans to use the photos in marketing brochures to recruit new members. The photographer arrives late on the first day of the convention and later, loses the camera and all the backup memory cards. It was never found, and no photos were retrieved from the entire event. The trade association claims the photographer was negligent and demands full reimbursement for the defense costs and fees paid to the photographer.

Total settlement*: \$12,000

Defense expense: \$1,700

*Total settlement may include multiple coverages or other fees.