

Business Loss Scenario

Property Manager Fails to Make Repairs

Coverage: Miscellaneous Professional Liability

Cause of Action: Negligence

Type of Organization: Property Manager

Annual Revenue: More than \$35 million

Description of Event

A property manager was hired by a commercial building owner to manage the facility. An ongoing leak in the building roof caused substantial damage to tenant property. In addition to suing the building owner to recover the value of damaged property, several tenants legally terminated their lease agreements. The building owner sued the property manager, alleging negligence for failing to maintain the roof and to repair the leaks in a timely manner. Damages sought included lost lease income.

Resolution

The case settled for more than \$200,000. The property manager incurred defense costs, which surpassed \$50,000.

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

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Loss scenarios are hypothetical in nature and for illustrative purposes only. Whether or not or to what extent a particular loss is covered depends on the facts and circumstances of the loss and the terms, conditions, and endorsements of the policy as issued. It is impossible to state in the abstract whether the policy would necessarily provide coverage in any given situation. Consult your agent, broker, or other expert.