



# The Creechurch Chronicle

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## CREECHURCH LAUNCHES NEW IN-HOUSE CLAIMS DEPARTMENT

Steve West, Vice President, Claims

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As I embark on my journey to bring an in-house claims department to Creechurch, my commitment to our customers is to provide assistance, guidance and superior service levels. Our approach to claims is to promptly respond to our customers and handle all claims in a proactive and efficient manner.

After all, in these difficult economic times, both our insureds and brokers expect value for their premium dollars.

How do we deliver that value? We deliver it by approaching claims with an open mind, listening to our insureds' concerns, learning the particular nuances of their business and working together to reach an amicable resolution of their claim.

To achieve this we are equipped to provide the appropriate claims expertise for the various products that Creechurch offers. We have access to a multitude of skilled professionals not only to investigate a potential claim against a client, but also to understand the foundation of the client's business and the profound effect that a negative claim may have upon their business or relationships.

The first order of business was to secure and establish a new Claims Management computer system. We are currently in the implementation phase and I expect it to be fully functional by the time of my next article (I hope by then I will also have an affectionate nickname for it).

These are exciting times at Creechurch. As we move forward with our new Claims department, I thought I would share some claim scenarios

(names removed to protect me from a lawsuit) which you will find on page 2. I hope these will enlighten you and assist our customers with their insurance needs.

I am available to meet with you and your team to discuss our claims philosophy or any specific claim files.

I can be reached at: **(416) 777-6212**. In the event of a claim emergency after 5:00 pm EST, or on weekends & holidays, please call: **1-800-Adjust4 (1-800-235-8784)** or, Steve J. West, Vice President, Claims @ (416) 999-3697(cell).

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## Creechurch in the Community

Thanks to the generosity of our brokers during our 2010 Montreal & Toronto Golf Tournaments, Creechurch made donations to The Montreal Children's Hospital Foundation and the Heart & Stroke Foundation of Canada. We are proud to be associated with brokers who share our values and the importance of giving back to the community and look forward to continuing to support these two great organizations.



## Claims Scenarios

The claims scenarios provided below were created by Creechurch to assist our brokers and clients to better understand our product offerings. The content is for illustrative purposes only. You must refer to the insurance policy for the actual terms, limits, coverages, exclusions, and conditions.

### IT CLAIM SCENARIO

The Insured, operating an independent business for over a decade, is a specialist in networking services, support and maintenance. Due to internal modifications by the customer, a second database was created by the customer unknown to the Insured. Upon installation of a replacement server, the Insured failed to discover the new database and therefore the data was not migrated and was destroyed when the old server was recycled. The database contained detailed billing information and the customer sued the Insured for damages exceeding \$250,000.

Litigation is ongoing and legal fees paid to date are in excess of \$20,000.

### HEALTHCARE CLAIM SCENARIO (Medical Devices)

The Insured manufactures assisted living devices, a Class 1 medical device which is sold through dealers and distributors. This device is used to assist patients in their day to day maneuvering. The product's main functionality is to facilitate transfers from beds to wheelchairs or to bedside commodes. The claim involved an elderly resident of an assisted living community, who had various health problems including a tendency to fall out of bed. One morning, the staff at the residence found the resident deceased beside his bed. The resident had fallen during the night when trying to get from the bed to the wheelchair. A legal action was commenced by the family of the deceased against the Insured and the medi-

cal device manufacturer, as well as the assisted living residence for lack of supervision. The Insured was found to bear some liability and the claim was settled in excess of \$350,000. This was a substantial claim relating to a straightforward Class 1 assistive medical device.

### MISCELLANEOUS E&O CLAIM SCENARIO

The Insured provides services for supply chain auditing, recruiting and operational analysis. The Insured was asked by the Claimant to recruit a project manager for their upcoming relocation project to a new manufacturing facility. The Insured arranged candidates for the project manager role and the client hired an independent contractor in HVAC design. During construction, a number of pipes were installed below the ceiling which was contrary to Health Canada's code and the Claimant's specifications. The pipes had to be redesigned and placed in the ceiling with an access for maintenance and repairs. The Claimant sued the Insured and the contractor for damages for the repairs and delay of the relocation. The Claimant accused the Insured of being negligent in providing a suitable project manager.

The claim resulted in an indemnity payment of \$70,000 and \$35,000 in legal fees.

### MEDICAL MALPRACTICE CLAIM SCENARIO

Our Insured provides independent medical assessments for Insurance Companies. The Claimant was involved in a motor vehicle accident and suffered serious soft tis-

sue injuries. The insurance company hired our Insured to complete an occupational therapy rehabilitation assessment and develop a customized program to re-establish their quality of life.

The claimant had other health problems which required his doctor to approve the proposed program. Part of the program included a fitness regimen to increase strength and endurance and restore their range of motion. During a training session, the claimant collapsed and died of heart problems. The Claimant's family sued multiple parties involved in the program including the insurance company, their doctor and our Insured.

The claim costs for defending the insured medical assessment center to date is \$56,000 and is ongoing.

### PROPERTY - CRIME CLAIM SCENARIO

The client company hosted a third party website and earned his revenues by selling advertising on the website.

A claim arose when an employee led them to believe that they were making substantial sales evidenced by a number of contracts. On the basis of these contracts, the employee was paid commissions, but the sales turned out to be false as the employee was producing fictitious contracts.

The insured contacted the police and the employee was charged. A claim was made in the amount of \$5,000 under the employee dishonesty coverage.

**Think Creechurch  
Intelligent Insurance**

The content of this document is for illustrative purposes only and does not constitute an insurance policy. Please refer to the policy wording for terms, conditions and exclusions. All submissions are subject to individual underwriting criteria.

