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Indemnity claims ruling

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The Court of Appeal has ruled on the question of when indemnity claims are “aggregated” (treated as a single claim), in an important case on solicitors’ professional indemnity insurance. In *AIG v OC320301 LLP* [2016] EWCA Civ 367, AIG argued that claims with a potential value of £10m brought by investors against the insured solicitor should be aggregated so as to limit its liability under the policy to £3m rather than about £11m. The dispute involved allegations of negligence by investors who lost money from property developments in Morocco and Turkey. Allowing the appeal but remitting the case to the Commercial Court for trial, Lord Justice Longmore held that a “relationship of some kind between the transactions relied on” was sufficient to aggregate the claims. However, “there must be some restriction on the concept of relatedness and the most satisfactory approach is that the relation must be an intrinsic relationship not an extrinsic one”.

[James Denison, Forum of Insurance Lawyers member and associate at Weightmans](#), says: “Transactions must still be ‘intrinsically related’ for the clause to bite and that remains a narrow test.”

<http://www.newlawjournal.co.uk/nlj/content/indemnity-claims-ruling>