



Liability Claims Bulletin: Ninth Edition November 2025



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Introduction

Several major trends are currently shaping the liability insurance market, driven by evolving risks, technological integration, and a volatile legal environment. Liability claims are growing in both frequency and complexity.

Ransomware attacks are increasingly becoming one of the most prevalent cybersecurity threats worldwide. Organizations across various sectors have been targeted. As a result, there has been a sudden surge in the cyber claims resulting from these attacks. Employee and third-party frauds have become significant contributors to the rise in commercial crime insurance claims. The perpetrators are adopting more sophisticated, less detectable techniques of committing fraud and businesses are witnessing higher financial losses and reputational risks. Employment practices claims related to termination often involving allegations of wrongful dismissal, discrimination and retaliation have become a common scenario. These claims lead to significant legal costs, reputational damage and operational disruption for organizations.

We are pleased to present the ninth edition of our Liability Claims Bulletin, that captures the challenges raised by insurers while handling the claims, the solutions offered by Marsh and key learnings for our Clients.

Cyber claim:

1. Ransomware attack

Insured	An Indian Global Information Technology Company
Background	<ul style="list-style-type: none"> Insured's US subsidiary suffered a Ransomware attack. Threat Actor exfiltrated the PII/ confidential data of the insured's customers. Some data was also put on the dark web. The insured also reported third-party claims.
Claim Amount	USD 40 Mn+ approx. / INR 350 Cr.+ approx. (Forensic costs/ breach counsel costs/ other vendor costs) / Business Interruption Loss
Policy Type	Cyber Policy
ChallengesW Raised by the Insurers	<ul style="list-style-type: none"> Confidentiality Involved: As a lot of documents were privileged, insured's counsel engaged with insurer's counsel directly. Consent not sought before incurring costs. Updates not shared in a timely manner.
Marsh's contribution	<ul style="list-style-type: none"> Marsh constantly engaged with the insured and its forensics experts throughout the incident to understand the nature of attack, data exfiltrated and the subsequent PI claims arising out of the attack. Thorough review- reviewed each document before sharing with the insurer to ensure alignment with facts. Insured's advocate- made thorough representations and engaged in sustained discussions with the insurer to strongly advocate for the insured. BI Loss assistance- Provided BI Loss expert assistance to the insured. Marsh was involved from the beginning. Marsh's BI Forensics team assisted with the BI Loss calculation.
Claim Outcome	USD 30 Mn approx. / INR 250 Cr. approx. paid by the insurer.
Key learnings	<ul style="list-style-type: none"> Insurer's written consent must be sought prior to engaging counsels. Timely updates must be shared with the insurer. Consent should be sought before settling any claims with third parties.

Crime claim:

2. Employee fraud (embezzlement of funds)

Insured	Global IT Service Management Company
Background	A former employee embezzled sums of USD 550,000 approx. into a vendor account which had name of the vendor but personal account number of the employee. This embezzlement was carried out over a period of 7 years. Transfer of small amounts were done each month so as to avoid scrutiny.
Claim Amount	USD 550,000 approx. / INR 4.70 Cr. approx.
Policy Type	Commercial Crime Policy
Challenges Raised by the Insurers	<ul style="list-style-type: none"> • Employment Proof- The insurer contended that substantial proof of employment was required to ascertain coverage for theft by employee under the crime policy. • Evidence- The insurer contended that bank statements which clearly highlight embezzled transactions made over the past 7 years be produced.
Marsh's contribution	Marsh was able to work with the insurer to identify each embezzled transaction carried out by the employee in the past 7 years to ascertain the quantum of claim.
Claim Outcome	USD 500,000 approx. / INR 4.20 Cr. approx. (net of deductible)
Key learnings	<ul style="list-style-type: none"> • It is crucial for the insured to possess all the required documentation/information and pass on the same to the insurer to ensure a comprehensive assessment of the claim. • FIR copy is required for claims to be pursued under Commercial Crime Insurance Policy.

3. Fraudulent ticket bookings using credit card credentials of customers

Insured	Global Online Travel Agency
Background	Insured's customers raised 'chargeback' claims against fraudulent transactions booked through international credit cards. The fraudster transacted voluminous bookings using card credentials of genuine card holders. The fraudster booked tickets by creating multiple usernames and phone numbers on the insured's platform. Insured had to refund the customers for these fraudulent transactions.
Claim Amount	USD 450,000 approx. / INR 4 Cr. approx.
Policy Type	Commercial Crime Policy
Challenges Raised by the Insurers	<ul style="list-style-type: none"> • Not a direct financial loss- Insurer contended that the policy covers an insured for only direct financial losses; since this loss was on account of the insured compensating customers against 'chargeback' requests, owing to the chain of causation of loss, the insurer concluded that this is not a direct financial loss. • Definition of 'money'- Bookings do not qualify as 'money' as defined under the policy, hence there was no 'unlawful taking of money' as required under the policy. • Deductible-Transactions may be treated as separate losses and hence separate deductibles to apply.
Marsh's contribution	<ul style="list-style-type: none"> • We contended that the present loss is not an indirect loss and arises out of a covered event under the policy. Moreover, policy does not define the term 'direct loss'. • We asserted that the underwriters were aware of the nature of business of the insured, and therefore, the coverages extended by virtue of the policy must be consonant with the insured's operations. • We contended that a single deductible shall apply owing to the commonality in the modus operandi of the loss (Claims series clause).
Claim Outcome	USD 110,000 approx. / INR 1 Cr. approx. (post deductible and other coverage concerns)
Key learnings	Copy of FIR, Investigation Report and all other requisite documents establishing Loss under a Commercial Crime Insurance Policy should be shared on priority.

Directors and Officers (employment practices) liability insurance claim:

4. Allegation of wrongful termination by ex-employee

Insured	Indian Asset Management Company
Background	<ul style="list-style-type: none"> One of India's regulators sent a notice to the insured asking them to investigate into allegations of front running suspected against two of the insured's employees. Basis the investigation, the insured terminated two employees. One of the employees filed 2 separate litigations against the directors & officers of the insured claiming wrongful termination and defamation. The directors & officers engaged a law firm to defend themselves against the said suit and also for investigating the allegations mentioned by the regulator.
Claim Amount	USD 110,000 approx. / INR 1 Cr. approx. (towards defense costs).
Policy Type	D&O (EPL) Policy
Challenges Raised by the Insurers	<ul style="list-style-type: none"> Insurer stated that the insured had not taken prior written consent before engaging the law firm. Insurer raised a concern that there was no bifurcation of rates towards the defence of suit and the investigation costs in the engagement letter.
Marsh's Contribution	<ul style="list-style-type: none"> Marsh successfully argued that it was necessary for the insured to engage the law firm in lieu of the suit filed by the employee. Marsh was also successful in making a representation that the insurer had sufficient time to raise these concerns since they were notified of the appointment of law firm almost 2 years back. Since no concerns were raised during the said period, the insured cannot be penalised for the same.
Claim Outcome	Full settlement amount of USD 100,000 approx. / INR 90 Lakhs approx. (net of deductible)
Key Learnings	<ul style="list-style-type: none"> Insured must always take prior written consent of the insurer before incurring any costs under the policy. Insured must have clear bifurcation of the costs (covered vs uncovered) being claimed under the policy along with sufficient documentation. Insured should keep the insurer apprised of all developments in the claim including the opportunity to participate in the defence of the claim.

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