# Marsh McLennan settles $143m Greensill lawsuit amid wider financial sector fallout



Marsh McLennan, the world's largest insurance broker, has recently settled a high-stakes lawsuit resulting from its dealings with the now-defunct Greensill Capital. The case, brought by the US private debt firm White Oak, sought an impressive $143 million in damages and accused Marsh of making "fraudulent misrepresentations" regarding the insurance coverage for financial products linked to Greensill. While the details of the settlement remain confidential, the implications of this case extend far beyond its immediate financial ramifications, involving a complex web of litigation that has emerged from Greensill's collapse.

Greensill Capital, which collapsed in March 2021, was heavily involved in providing supply chain finance and aimed to facilitate liquidity for businesses through invoice financing. The downfall was precipitated by the loss of a critical insurance contract, leading to extensive losses for investors, including major financial institutions such as Credit Suisse. As the legal waters have become increasingly turbulent, multiple stakeholders, including investors, insurance companies, and Marsh itself, find themselves embroiled in an ongoing narrative of accountability and failure.

During the trial, which commenced earlier this month, Marsh executives were called to testify about their extensive interactions with Lex Greensill, the company's founder. During these proceedings, the court was introduced to internal communications that painted a troubling picture of Marsh’s corporate governance. One executive’s email, described as showcasing “a frightening absence of corporate governance,” suggested that executive concerns were overlooked, highlighting issues that had begun to percolate well before Greensill’s eventual collapse.

In particular, internal discussions revealed that Marsh was aware of threats from Australia’s Bond & Credit Co, Greensill’s primary insurer, about potentially cancelling its policies. Evidence presented to the court included exchanges where Marsh executives appeared conflicted about the assurances being given to White Oak regarding the reliability of these insurance policies. One executive notably declined to confirm to a banking partner that the policies were “in force and fully effective,” stating "Lex, I can't send those words."

The fallout from Greensill's collapse has broadened significantly, leading to additional lawsuits involving key players such as Insurance Australia Group (IAG) and Tokio Marine. As part of these proceedings, IAG has contended that Marsh should share in liabilities if other investors are successful in their claims against them. The shadow of previous high-profile mismanagement looms large, with allegations of misleading practices sparking debates around corporate accountability and fiduciary duties in the financial sector.

Not resting on its laurels, White Oak has confirmed that it intends to pursue other claims against different parties involved in this saga, aiming to maximise returns for its investors who have been adversely affected by the fallout from Greensill Capital. Meanwhile, Lex Greensill himself is embroiled in his legal battles; a UK government agency is attempting to disqualify him from serving as a corporate director. Greensill is contesting these allegations and has retaliated with a lawsuit against the government, further complicating the legal landscape surrounding this scandal.

As Marsh McLennan concludes this particular chapter through a confidential settlement, the wider implications of its involvement with Greensill Capital continue to signal a need for enhanced scrutiny and reform in the insurance and financial services sectors. The settlement, while resolving one front in these ongoing disputes, serves as a reminder of the broader responsibilities that these firms hold in maintaining transparency and integrity within their operations. The coming years are poised to see further developments, with numerous legal challenges still in process, highlighting the complex interplay of finance, insurance, and corporate governance in the wake of one of the most significant financial collapses in recent history.

### Reference Map

1. Paragraph 1: 1, 2
2. Paragraph 2: 3, 5
3. Paragraph 3: 1, 6
4. Paragraph 4: 1, 4
5. Paragraph 5: 2, 7
6. Paragraph 6: 1, 6
7. Paragraph 7: 1, 3, 5

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.ft.com/content/eb81ca78-7cb0-4713-9db0-6b6e3229ce03> - Please view link - unable to able to access data
2. <https://www.ft.com/content/eb81ca78-7cb0-4713-9db0-6b6e3229ce03> - Marsh McLennan, the world's largest insurance broker, has settled a lawsuit brought by US private debt firm White Oak, which sought $143 million in damages. The lawsuit, filed in London's High Court, accused Marsh of making fraudulent misrepresentations about insurance coverage for financial products purchased from the now-defunct Greensill Capital. The settlement amount remains confidential. During the trial, Marsh executives testified regarding their interactions with Greensill Capital and its founder, Lex Greensill. The lawsuit revealed internal communications at Marsh expressing concern over Greensill's corporate governance and the reliability of its insurance policies. Greensill Capital collapsed in March 2021 after losing a key insurance contract, leading to significant investor losses, including at Credit Suisse. The fallout has prompted numerous legal actions involving Marsh, Insurance Australia Group (IAG), and Tokio Marine. IAG has argued that Marsh should share liability if investors successfully claim their losses related to the failed lender. A major Australian trial involving these issues is scheduled for 2026. Meanwhile, the UK government is also attempting to ban Lex Greensill from serving as a corporate director, a move Greensill is contesting. White Oak continues to pursue compensation through other legal avenues.
3. <https://www.ft.com/content/fa1d2e08-8076-4bf6-a8f6-28665c010200> - US investment firm White Oak has accused Marsh, the world's largest insurance broker, of fraudulent conduct in its efforts for Greensill Capital, a company that collapsed three years ago. White Oak has escalated its $143 million lawsuit in London's High Court, claiming Marsh made "fraudulent misrepresentations" about insurance for financial products purchased from Greensill. The claims revolve around internal emails and phone records showing Marsh executives' concerns about Greensill's main insurance provider. Marsh, responsible for confirming details about insurance covering Greensill's lending facilities, allegedly hid internal worries regarding the credit insurance and underwriter authority. Marsh denies these allegations and intends to defend its position, arguing it was only responsible for Greensill. The internal messages reveal employee concerns about the dismissal of Greg Brereton, a key executive at the underwriting firm Bond & Credit Co (BCC), and threats to cancel coverage by Tokio Marine, the company's new owner. White Oak's investments in Greensill linked to Liberty Commodities, part of Gupta's GFG Alliance, are also under dispute, with insolvency proceedings underway.
4. <https://www.theinsurer.com/ti/news/marsh-says-it-did-not-mislead-white-oak-in-143mn-greensill-claim/> - Marsh has insisted it did not mislead White Oak in its defence filing against a $143mn claim by the commercial finance provider related to investments in collapsed receivables finance firm Greensill Capital. The lawsuit, filed in London's High Court, alleges that Marsh failed to pass on crucial information regarding problems with the insurance cover for Greensill's financial products. Marsh's defence argues that it was acting solely on behalf of Greensill as the insured party and had a duty of loyalty and confidentiality to the company. The broker contends that it was not responsible for providing advice to White Oak regarding the validity of the policy or the availability of cover.
5. <https://www.theinsurer.com/ti/news/marsh-faces-143mn-greensill-lawsuit-from-us-finance-group-white-oak/> - Marsh is being sued for $143mn by US private finance group White Oak, which is alleging the broker failed to pass on information regarding problems with the insurance cover for collapsed supply chain finance firm Greensill Capital. The suit in London from White Oak’s European arm, detailed in a filing seen by the Financial Times, marks the latest legal fallout from the failure of the business led by Lex Greensill and advised by former UK prime minister David Cameron following the lapsing of its insurance. White Oak argues that from at least July 2020, Marsh was aware that Tokio Marine, Greensill’s lead insurer, had taken the decision not to extend further insurance to the group. Between December 2020 and February 2021, White Oak acquired $143mn of receivables from Greensill after receiving documents from Marsh regarding the insurance cover on the investments.
6. <https://programbusiness.com/news/white-oak-sues-marsh-for-143m-over-greensill-insurance/> - White Oak, a U.S. private finance group, is suing Marsh for $143 million in relation to its work for Greensill Capital, arguing the insurance broker failed to pass on crucial information regarding problems with the collapsed supply-chain finance firm’s insurance coverage. The suit in London from White Oak’s European arm, detailed in a filing seen by the Financial Times, marks the latest legal fallout from the failure of the business led by Lex Greensill and advised by former UK prime minister David Cameron following the lapsing of its insurance. White Oak was one of the firms to invest in Greensill’s ill-fated receivables scheme, arising from goods and services sold by Liberty Commodities, part of Sanjeev Gupta’s GFG Alliance. In the legal filing, it argues the trade credit insurance cover for these debts, which protected investors against non-payment, was “fundamental” to its decision to invest. It highlighted Marsh’s role in confirming the terms and existence of the cover.
7. <https://pressmaverick.com/marsh-sued-for-143mn-over-greensill-insurance/> - In a startling development, insurance broker Marsh is now at the center of a multi-million-dollar lawsuit related to its involvement with the collapsed finance company, Greensill Capital. The lawsuit, filed by an international consortium of investors, alleges that Marsh failed in its fiduciary duty by providing misleading insurance coverage for Greensill’s risky financial products. The claim, amounting to a staggering $143 million, highlights the escalating legal troubles faced by the insurance giant. According to the lawsuit, the investors argue that Marsh was negligent in its role as a broker for insurance policies covering Greensill’s trade finance assets. Greensill Capital, once a high-flying firm specializing in supply chain financing, collapsed in March 2021 following revelations of irregularities in its business practices. This lawsuit focuses on the insurance coverage provided by Marsh to Greensill, which the investors claim was improperly structured and misrepresented. The complaint alleges that Marsh failed to conduct adequate due diligence and misrepresented the risk associated with Greensill’s financial products to the investors.