

## Ex-Prudential agency manager sues insurer's ex-CEO, two agents

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Peter Tan is being sued by Prudential for up to S\$2.5 billion after 244 of its agents jumped ship to join him at rival firm Aviva.

Singapore

AS INSURANCE heavyweight Prudential now slugs it out with its former top group-agency manager Peter Tan Shou Yi in High Court over a mass exodus of agents, another lawsuit is brewing between the defendant himself and two of the insurer's agency leaders and former chief executive.

Mr Tan is defending claims of up to S\$2.5 billion from Prudential Assurance Company Singapore over the alleged poaching of 244 agents and agency leaders, who moved from the insurer to Aviva's subsidiary, Aviva Financial Advisers.

Besides this ongoing hearing, the 54-year-old, now an adviser to Aviva, is suing Prudential's ex-chief executive Philip Seah Cheng Chua and two agency managers.

The case is in the pre-trial phase, after failed attempts by the three defendants to strike out the lawsuit, and then to have it consolidated with the ongoing Prudential-versus-Mr Tan trial.

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In the suit filed by Mr Tan in October 2018 - about two years after Prudential sued him - he alleges that Mr Seah, as the then-CEO of Prudential had wrongfully induced agency leaders Wendy Ho Xiang Yu, 34, and Royston Ng Youliang, 36, to hand over to the insurer audio recordings secretly made at their meetings with Mr Tan; the pair are also said to have been rewarded in return, causing them to breach their confidentiality obligations to Mr Tan.

The statement of claim describes Ms Ho and Mr Ng as members of Mr Tan's agency, Peter Tan Organisation (PTO), and says they had entered into an agreement with him in October 2013 to maintain confidentiality on PTO's business strategies, operations and other sensitive information.

Besides this agreement, the duo also signed a confidentiality undertaking on Jan 6, 2015, which bound them and about 40 other agency leaders not to leak private commercial information and materials related to PTO and Mr Tan. A clause spells out the penalty for breaching this undertaking: We agree to pay the group S\$1 million if we violate this agreement.

Ms Ho and Mr Ng also entered into a non-disclosure agreement with Mr Tan on May 17, 2016, which barred them from divulging commercial secrets Mr Tan had learnt from Aviva - information arising from then-ongoing discussions with the Prudential rival to pave the way for the PTO agents and agency leaders to cross over. This agreement that the two defendants entered into purportedly entitled Mr Tan to ask for compensation of S\$50 million, which was equivalent to the total transition package for all the managers and agents in PTO if the terms were breached.

Ms Ho signed another non-disclosure agreement 10 days later to keep related discussions held in Guangzhou confidential, including Aviva's intended approach to determining the migration packages and compensation for lost income for agents and their leaders for joining Aviva.

Mr Ng did not attend that meeting and did not give that undertaking.

Mr Tan, on the other hand, had entered into a non-disclosure agreement with Aviva on June 2, 2016 to keep the information he obtained from the insurer under wraps.

He alleges in the statement of claim that Ms Ho and Mr Ng had struck a deal with Mr Seah, under which they disclosed the confidential information and furnished the audio recordings to Prudential in exchange for their promotions and that for Ms Ho's husband (also a Prudential agency leader); Ms Ho and Mr Ng are also alleged to have been indemnified against liabilities and losses from having produced the information to Prudential.

Mr Tan, represented by senior counsel Thio Shen Yi, wants the court to restrain the two agency leaders and Mr Seah from using the confidential information and recordings, and deliver up all materials containing the confidential information.

Mr Tan also wants the three defendants to give an account of profits or to compensate him for breaching the confidentiality agreements.

The agency leaders, however, claim that they were pressured or influenced into entering the agreements, and were not afforded opportunities to seek legal advice before signing on the dotted line.

Further, they say they owe Prudential a duty to notify it if Mr Tan breached his obligation of not soliciting their fellow agents and agency leaders within two years of his leaving Prudential.

Hence, with the agreements that obligated them to keep mum on Mr Tan's moves conflicting with their fiduciary duties to Prudential, the agreements are unenforceable.

They deny that they have benefited from exposing Mr Tan's acts to Prudential, and argue that they and Ms Ho's husband had earned the promotions on their own merits.

Ms Ho is defended by Ng Lip Chih from Foo & Quek; Mr Ng's lawyer is Sim Chong, and Mr Seah is represented by Mark Tan Chai Ming of Focus Law Asia.

The defendants will take the stand as plaintiff witnesses in the trial of Prudential vs Mr Tan.