

MFL

Professional

INSURANCE BROKERS

Freelance Translators' & Interpreters' Professional Indemnity Scheme - Key Facts

Insurance for your reputation



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“All professionals (including linguists) have an implied duty to act with reasonable skill and care in the performance of professional work on behalf of their clients.”

The following is merely a summary of the main features of the insurance, and must be treated as such. For full details of cover, please refer to the full policy wording on the MFL website:

www.m-f-l.co.uk/fti

• **What Is Professional Indemnity Insurance (PII)?**

PII is insurance that covers insured professionals principally against the risk of their being held legally liable to their clients or other parties for their breach of the Professional Duty Of Care. It indemnifies the insured professionals for the cost of any damages and costs awarded against them in consequence of being held so liable following a claim against them, together with the cost of investigating, defending or settling the claim.

The MFL Freelance Translators' & Interpreters' Scheme also covers members for a number of other professional liabilities (see Extensions below).

• **PII Is a “Claims Made” Insurance**

In contrast to most other legal liability insurances, PII is written on a “claims made” basis. This means that the insurance will only cover those claims that are first made against the insured professionals during the period of insurance. For these purposes, Underwriters will treat a potential claim or “circumstance” as an actual claim against the professionals (see Claims Conditions below).

• **Retroactive Date**

To minimise their exposure to claims, insurers often impose retroactive restrictions on policy cover through the imposition of a Retroactive Date. The MFL Freelancers' Scheme does not have a Retroactive Date.

• **Professional Duty Of Care**

All professionals (including linguists) have an implied duty to act with reasonable skill and care in the performance of professional work on behalf of their clients. This duty sometimes extends to other parties who are not their clients. Terms and conditions of professional contracts may also increase the scope of the duty of care, or may impose performance guarantees. Specific contractual extensions of liability are often uninsurable, since Underwriters would normally seek to confine cover to the implied Professional Duty Of Care only. Please refer to MFL if in doubt.

• **Extensions**

Extensions that are provided by the MFL Freelance Translators' & Interpreters' Scheme policy include:

- Loss of Documents (covering the financial costs arising from the reinstatement, repair or reconstitution of lost or damaged documents);
- Libel & Slander (covering professionals' legal liability for accidentally defaming the character of another);

- Accidental Infringement of Copyright or Patents, or inadvertent breach of confidential information (covering professionals' legal liability for such infringement or breach, plus legal costs cover if another party were to infringe their own intellectual property rights; this Extension is subject to an Excess of £500 each claim);
- Legal Defence Costs (covering the cost of legal representation of professionals with Underwriters' written consent, subject to a limit of £25,000 and an excess of 10% of the cost or £500, whichever is the greater);
- Vicarious Liability (covering professionals for their professional liability arising from work carried out by sub-contractors or sub-consultants on their behalf, provided that the professional checks such work);
- Assureds' Own Losses (covering outstanding fees owed to the professional, including amounts they may be obliged to pay to subcontractors, or other reasonable additional costs and expenses incurred, but only in an attempt to avoid or reduce the likelihood or the amount of any claim, subject to Underwriters' prior approval);
- Witness Expenses (compensating professionals who are required to attend court in connection with any claim under the policy, at a rate of £250 per day or part of a day on which attendance is required);
- Liability for Breach of Warranty of Authority (where professionals are acting as agents on behalf of others).

• Limit Of Indemnity

The Limit Of Indemnity is the maximum payable under the insurance for each claim made against the Assured. There is also a limit on the amount payable in the aggregate for all claims during the period of the insurance arising in North America (see USA/Canada Conditions Clause).

• Excess

Virtually all PII insurances are subject to policy Excesses, which are the amount of each claim that the insured professionals have to bear financially. They are imposed by insurers to avoid their having to be involved in very small claims, and to ensure that the insured professional has a vested interest in not being negligent in his dealings with clients. The Excesses for the MFL Freelance Translators' & Interpreters' Scheme are shown on the Quotation and schedule of cover.

• Exclusions

All PII insurance policies contain Exclusions. The MFL Freelance Translators' & Interpreters' Scheme Exclusions fall into the following basic categories:

- Exclusion of those risks which insurers would expect to be assumed by other insurance policies (e.g. motor insurance, employers' liability insurance, etc);
- Exclusion of those risks which the insurance market expects to be assumed by the Government (e.g. nuclear and war risks);
- Exclusion of those risks which the Underwriters consider uninsurable under this Scheme (e.g. fines and penalties, conflicts of interest, liability for dishonesty, punitive penal or exemplary damages, pollution, directors' management responsibilities, failure to duplicate magnetic or electrical media).

You are strongly advised to read and understand the Exclusions under the policy wording (available on the MFL website).

• Conditions

All PII policies also contain Conditions. Those under the MFL Freelance Translators' & Interpreters' Scheme fall into three basic categories:

- Clarification of the scope of cover provided (e.g. Retroactive Date);
- Those Conditions which give insurers certain rights (e.g. contribution from other insurers in the event of dual insurance, Underwriters' right to "step into the shoes" of the Assured and enforce their legal rights against others to recover any payments made under the policy);
- Those Conditions with which Assureds must comply in order to avail themselves of the benefit of the policy, (e.g. Claims Conditions – see below). Again, you are strongly advised to read and understand the Conditions under the MFL Freelance Translators & Interpreters' Scheme policy.

• Claims Conditions

It is absolutely vital that you comply with the Claims Conditions under the policy. Failure to do so could result in cover not being operative when it is needed most. A link to the policy Claims Conditions is provided on our covering email.



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