



**La Playa Media & Production  
Insurance with Intelligence**  
[www.laplaya.co.uk](http://www.laplaya.co.uk)

## **MEDIA AND PRODUCTION INSURANCE**

# **Professional Indemnity Insurance**

**Protecting creative professionals  
against allegations of negligence,  
breach of duty or mismanagement**

If you're in the business of selling your knowledge, services and expertise to others, then Professional Indemnity insurance (PI) is a must. It's an essential piece of armour for anyone who gives professional advice or consultancy in any capacity, and who could be sued for making a mistake.

Professionals are only human, and errors do happen, even in the best run businesses. Unfortunately, in today's litigious society, people are quick to point the finger when things go wrong.

## MEDIA AND PRODUCTION INSURANCE

# Professional Indemnity Insurance

*“Very helpful and a pleasure to deal with”*

*“Thank you for all you’ve done for us . . . I feel we’re in safe hands, with people who understand what we do”*

### What is Professional Indemnity insurance?

In this everything-by-yesterday world, even the most respectable company can find itself in dispute with a client over an error, a delay or alleged breach of contract. Professional Indemnity (PI) insurance provides indemnity for losses you are legally liable for if you make a mistake or are negligent, or if your product or service is defective, inadequate or fails to perform.

### Why do I need it?

In today’s political climate of European harmonisation and consumer protection, it’s difficult to keep up with changes in the law, and many companies find themselves embroiled in expensive disputes without realising that they had done anything wrong. Failing to defend these allegations properly could cause irreparable damage to the reputation and financial stability of your business. Your day-to-day operations could expose your business to allegations of:

- **Negligence** or breach of duty of care
- **Negligent mis-statement** or misrepresentation resulting in a financial loss
- **Infringement of intellectual property rights** including copyright, patent, trademark, music rights, performance rights, broadcasting rights, moral rights or any act of passing-off
- **Breach of contract**
- **Defamation** - for example, a competitor taking offence at unguarded comments
- **Dishonesty** of your individual partners, directors, employees, or self-employed freelancers directly contracted to you and under your supervision

### How will it protect my business?

Professional Indemnity insurance works in a number of ways:

#### 1. Indemnification and defence costs:

PI Insurance covers legal expenses for mistakes, delays and failures in your product or services that lead to a dispute with a client. Your insurer can help defend your claim in a dispute - right through to the High Court, if necessary. Even if you lose, the policy will still cover you for damages you are liable for (subject to indemnity limits on the policy) and legal costs.

#### 2. Rectification:

The insurer may pay to rectify the problem (eg: re-print a brochure with typographical errors) if this would mitigate costs and avoid an expensive liability claim.

#### 3. Outstanding fees:

If a dissatisfied client threatens legal action and defaults on fee payment, outstanding fees may be paid by the insurer under your PI policy.

### How much cover do I need?

No two businesses are the same – our understanding of your business and risk exposures will help us establish the appropriate level of cover. We’ll also help you review your contractual obligations to identify the extent and level of indemnities that are required by your clients.

#### Case Studies

##### Professional Negligence

A local TV broadcaster aired a commercial with the incorrect voice-over. The customer then refused to pay for the media space and demanded compensation. The insurer helped broker a deal with the customer, who accepted free media space and dropped the case for compensation.

##### Media Space

An agency booked newspaper advertising space on behalf of one of their clients. The client unexpectedly slashed their advertising budget and the agency was left with expensive print space that the client had not officially ordered. The insurer helped negotiate a deal between the paper and the agency to re-sell the print space, thereby keeping the client relationship intact.

##### Infringement of Copyright

A radio broadcaster infringed the copyright of a competitor, who claimed their new breakfast show was too similar in format and style to theirs. The PI policy covered their court costs and provided the assistance they needed to understand the copyright laws, to prevent a similar incident occurring.

To talk through your Professional Indemnity insurance requirements, contact:

**La Playa Media & Production: Insurance with Intelligence**  
**People like you like us. Passionate. Discerning. Independent.**

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