



## **IMPRESS MEMBER INSURANCE SCHEME**

### **INFORMATION PACK**

#### **SUMMARY OF THE SCHEME**

IMPRESS members can now benefit from low-cost, flexible and comprehensive professional indemnity insurance cover which is specifically designed for media companies operating within the IMPRESS regulatory scheme. It offers very competitive rates because of the reduced liability to insurers of publishers participating in the IMPRESS regulatory scheme.

The IMPRESS Member Insurance Scheme covers publishing companies for the costs and expenses of defending legal actions and pays for any penalties or damages which arise from an IMPRESS investigation, arbitration or action in the civil courts. It is designed to be very flexible and allows publishing companies to set their own liability limits, which in turn can reduce their annual insurance premium.

The IMPRESS Member Insurance Scheme is sold independently of IMPRESS by EC3 Brokers and is underwritten by media specialist insurers Beazley. IMPRESS receives no commission for introducing member publishers to EC3 Brokers, the insurance brokers who operate the scheme, and there is no requirement for IMPRESS members to be insured.

Annual premiums start at just over £200 for small publishing companies who require cover of £100,000. Cover of up to £100m is available if needed. The additional costs protection offered by IMPRESS' arbitration scheme offers many publishers the opportunity to purchase lower levels of liability cover than would ordinarily be required if they operated outside the IMPRESS regulatory scheme.

If you are an IMPRESS member (or are currently thinking about becoming a member) and you want to find out more about the scheme please contact:

[Oliver.Oakley@EC3Brokers.com](mailto:Oliver.Oakley@EC3Brokers.com) Tel: 0203 150 1996

or

[Ansley.Parker@EC3Brokers.com](mailto:Ansley.Parker@EC3Brokers.com) Tel: 0203 150 1995

If you are ready to request an individual insurance quotation then please complete the IMPRESS Member Insurance Scheme Proposal Form which you will find in this pack and e-mail it to Oliver or Ansley.

## **FREQUENTLY ASKED QUESTIONS**

### **Is the purchase of professional indemnity insurance mandatory?**

No, it is entirely optional. IMPRESS members are not required to have professional indemnity insurance.

### **How much does it cost to take out insurance?**

Annual premiums start at just over £200 for the smallest publishers who require the minimum level of cover available which is £100,000. Premiums rise in accordance with the risk profile of the publisher and the amount of Professional Indemnity cover required. Premiums start at less than £400 for cover of £250,000 and start at £500 for cover of £500,000. Cover of up to £100m is required if needed. An excess payment of £500 is applicable for each claim made.

### **What does the insurance policy cover?**

- All print and on-line content first published after the commencement date of the policy.
- Defending a claim for breach of contract, negligence, dishonestly, defamation, right of privacy or publicity, intellectual property infringement and unfair competition.
- Information security and privacy liability.
- Costs of participating in IMPRESS' arbitration scheme up to a limit of £10k per Claim (arbitrator fees and any legal costs awarded against a publishing company).
- Legal costs and expenses of defending any civil claims made against a publishing company in an IMPRESS arbitration or a civil claim in any jurisdiction throughout the world, with the exception of USA and Canada (subject to advance notification and agreement of insurer).
- Any damages arising from a successful legal claim made against a publisher in an IMPRESS arbitration or any jurisdiction throughout the world, with the exception of USA and Canada.
- Any fines imposed by IMPRESS or other regulator up to a limit of £10k per claim.

### **What is not covered by the insurance policy?**

- Bodily injury and property damage.
- Directors' and officers' liability.
- Any statement you knew, or ought to have reasonably known, was defamatory at the time of publication.
- Any claims made against you in the jurisdictions of USA or Canada.
- Professional services not directly associated with publication of your online or printed newspaper.
- Trading losses.

- Natural disasters.
- Any article first published or act occurring prior to the start date of the insurance policy.

**I understood that by joining IMPRESS I was protecting my publishing company against the costs and risk of litigation. I thought IMPRESS was my insurance policy. Why do I need additional insurance on top of that?**

By joining IMPRESS you get access to a complaints handling service. This reduces the likelihood of legal claims arising because it provides complainants with a quick, easy and free means of redress for most types of issue.

IMPRESS members also get access to a low-cost arbitration scheme, which provides a cheaper and quicker alternative to going through the civil courts system, when compensation for serious harm or loss is sought and where IMPRESS agrees that a genuine legal claim is being brought. The IMPRESS arbitration scheme will protect publishers up to a point, because it is designed to be much cheaper and quicker than civil litigation and does not require parties to be legal represented. It supports publishers to run stories without the fear of crippling legal costs, by significantly reducing the costs that a publisher may have to pay to defend a claim,.

The insurance policy provides additional protection in three ways.

Firstly it pays the costs of participating in an IMPRESS arbitration (fees, cost awards and damages), which may still be fairly high if a claim is successful.

Secondly it protects the publisher if a claimant refuses arbitration and insists on taking a publisher to court, by paying legal defence costs and expenses, which may be exceedingly high.

Thirdly it pays the costs of any fines imposed by IMPRESS or another regulator.

**Why should I take out this insurance policy?**

The policy is specifically designed to meet the needs of news publishers. It is exclusive to IMPRESS members and is very flexible. It can be tailored to meet the needs of individual publishers. It aims to be cheaper than other policies on the market that provide equivalent cover. Unlike other policies on the market, however, it covers publishers for the legal costs and expenses of participating in IMPRESS' regulatory scheme such as arbitration fees, damages and fines imposed by IMPRESS. The policy is provided by specialist media insurers who operate independently of IMPRESS.

**What are the risks to my publishing company if I do not have professional indemnity insurance?**

It is up to each publishing company to weigh up its own risks based on financial circumstances, business model, perceived exposure to risk and appetite for risk.

There are, however, three main risks to consider.

Firstly, if you are not insured you may decide that it is too financially risky for you to publish stories which you know to be true, which hold power to account and which are in the public interest.

Secondly, you can never rule out mistakes being made and you may wish to protect yourself against such errors and omissions.

Thirdly, if you are not insured and a successful claim is made against you, this may threaten the financial future of your publishing company.

## CASE STUDIES

### Case study 1: Large Supermarket chain vs small publisher

A large supermarket chain commences a civil action for defamation against a small on-line local news publisher that has run a story on out-of-date food and related food poisoning at a local store. The claim is in excess of £1m.

The publisher is a member of IMPRESS and is required to settle such a dispute through IMPRESS' low cost arbitration scheme as an alternative to the civil courts, in the event that the Claimant agrees to arbitrate and IMPRESS agrees that the claim comes within the scope of the arbitration scheme.

#### Scenario 1: The publisher loses at arbitration.

The case goes to arbitration and the claim against the publisher is successful.

Likely costs	What you might pay if insured	What you might pay if <u>not</u> insured
Annual insurance premium and excess payment for Claim	£392 premium (PI cover of up to £250,000)  £500 excess  <b>£892 total</b>	No annual premium or excess payment to pay     <b>£0.00 total</b>
Arbitration Fee	<b>£0.00</b> this is covered by IMPRESS because the publisher has a turnover of < £1m	<b>£0.00</b> this is covered by IMPRESS because the publisher has a turnover of < £1m
Your legal costs in defending the claim	<b>£0.00</b> you need to advise the insurer because the claim is in excess of £25k. They will assess the risk and may require you to be legally represented. If so they will help you find a lawyer and other experts, the costs of which will be covered by your insurance policy.	<b>Up to £5,000.</b> You do not need to be legally represented. The arbitrator will manage the arbitration to ensure you are not disadvantaged. If you do decide to be legally represented the arbitrator will manage the arbitration to ensure that the process keeps legal expenses to a minimum.
Claimant legal costs if they are awarded against you	<b>£0.00</b> legal costs awarded against you are covered by your insurance policy	<b>£3,000.</b> This assumes the arbitrator makes an award for costs against the publisher at the maximum level allowed under the IMPRESS arbitration scheme.
Damages payable by you, if the claim is successful	<b>£0.00</b> any damages awarded against you are covered by your insurance policy	<b>£200,000.</b> This assumes the publisher loses the claim and is required to pay damages of 20% of the value claimed
Total paid by you	<b>£892</b>	<b>£203,000 to £208,500</b>

**Scenario 2: The publishers loses at court.**

**The case goes to court and the claim against the publisher is successful**

<b>Likely costs</b>	<b>What you might pay if insured</b>	<b>What you might pay if <u>not</u> insured</b>
Annual insurance premium and excess payment for Claim	£392 premium (PI cover of up to £250,000)  £500 excess  <b>£892 total</b>	No annual premium or excess payment to pay     <b>£0.00 total</b>
Arbitration Fee	<b>£0.00</b>	<b>£0.00</b>
Your legal costs in defending the claim	<b>£0.00</b> you need to advise the insurer because the claim is in excess of £25k. They will assess the risk with you and may require you to be legally represented. If so they will help you find a lawyer and other experts, the costs of which will be covered by your insurance policy.	<b>Up to £25,000.</b> You will normally need to be legally represented if you are to successfully defend a claim in the civil courts.
Claimant legal costs if they are awarded against you	<b>£0.00</b> legal costs awarded against you are covered by your insurance policy	<b>£30,000.</b> This assumes the arbitrator makes an award for costs against the publisher equivalent to 50% of the Claimant's legal costs. The court may be persuaded to make a lesser costs award because the Claimant has refused low cost arbitration and required the publisher to take the more expensive route to court.
Damages payable by you, if the Claim is successful	<b>£0.00</b> any damages awarded against you are covered by your insurance policy	<b>£200,000.</b> This assumes the publisher loses the claim and is required to pay damages of 20% of the value claimed
Total paid by you	<b>£892</b>	<b>£255,000</b>

### Scenario 3: The publisher wins at arbitration

#### The case goes to arbitration and the claim against the publisher is unsuccessful

Likely costs	What you might pay if insured	What you might pay if <u>not</u> insured
Annual insurance premium and excess payment for Claim	£392 premium (PI cover of up to £250,000)  £500 excess  <b>£892 total</b>	No annual premium or excess payment to pay     <b>£0.00 total</b>
Arbitration Fee	<b>£0.00</b> this is covered by IMPRESS because the publisher has a turnover of < £1m	<b>£0.00</b> this is covered by IMPRESS because the publisher has a turnover of < £1m
Your legal costs in defending the claim	<b>£0.00</b> you need to advise the insurer because the claim is in excess of £25k. They will assess the risk with you and may require you to be legally represented. If so they will help you find a lawyer and other experts, the costs of which will be covered by your insurance policy.	<b>Up to £5,000.</b> You do not need to be legally represented. The arbitrator will manage the arbitration to ensure you are not disadvantaged. If you do decide to be legally represented, you will not be able to claim back these costs even if the claim against you is unsuccessful. However, the arbitrator will manage the arbitration to ensure that the process keeps legal expenses to a minimum.
Claimant legal costs if they are awarded against you	<b>£0.00</b> legal costs awarded against you are covered by your insurance policy	<b>£0.00.</b> If the claim is unsuccessful the publisher will not be required to pay the legal costs of the Claimant
Damages payable by you, if the Claim is successful	<b>£0.00</b> any damages awarded against you are covered by your insurance policy	<b>£0.00.</b> If the Claim is unsuccessful the publisher will not be required to pay damages to the Claimant
Total paid by you	<b>£892</b>	<b>£0.00 to £5,000</b>

#### Scenario 4: The publisher wins at court

The case goes to court and the claim against the publisher is unsuccessful

Likely costs	What you might pay if insured	What you might pay if <u>not</u> insured
Annual insurance premium and excess payment for Claim	£392 premium (PI cover of up to £250,000)  £500 excess  <b>£892 total</b>	No annual premium or excess payment to pay    <b>£0.00 total</b>
Arbitration Fee	<b>£0.00</b>	<b>£0.00</b>
Your legal costs in defending the claim	<b>£0.00</b> you need to advise the insurer because the claim is in excess of £25k. They will assess the risk with you and may require you to be legally represented. If so they will help you find a lawyer and other experts, the costs of which will be covered by your insurance policy.	<b>£25,000</b> You will normally need to be legally represented to successfully defend a claim in the civil courts. It is assumed that the Claimant is required to pay 50% of your legal costs in defending the claim. This leaves you to pay 50% of your legal costs ( <b>£12,500</b> ).
Claimant legal costs if they are awarded against you	<b>£0.00</b> legal costs awarded against you are covered by your insurance policy	<b>£0.00.</b> If the Claim is unsuccessful the publisher will not be required to pay the legal costs of the Claimant
Damages payable by you, if the Claim is successful	<b>£0.00</b> any damages awarded against you are covered by your insurance policy	<b>£0.00</b> If the Claim is unsuccessful the publisher will not be required to pay damages to the Claimant
Total paid by you	<b>£892</b>	<b>£0.00 to £12,500</b>



## Case study 2: Victim of terrorist attack vs medium sized publisher

The family of the victim of a terrorist attack commences a civil action for defamation and harassment against a regional printed newspaper that has run a story about the victim and other family members. The claim is for £20,000. The publisher is a member of IMPRESS and is required to settle such a dispute through IMPRESS' low cost arbitration scheme, as an alternative to the civil courts, in the event that the Claimant agrees to arbitrate and IMPRESS agrees that the claim comes within the scope of the arbitration scheme.

### Scenario 1: The publisher loses at arbitration.

The case goes to arbitration and the claim against the publisher is successful.

Likely costs	What you would pay if insured	What you might pay if <u>not</u> insured
Annual insurance premium and excess payment for Claim	£392 premium (PI cover of up to £250,000)  £500 excess  <b>£892 total</b>	No annual premium or excess payment to pay    <b>£0.00 total</b>
Arbitrator Fee	<b>£0.00</b> Arbitrator fees are covered by your insurance policy	<b>£3,500</b> A maximum fee of £3,500 is payable because you are a publisher with a turnover of > £1m.
Your legal costs in defending the claim	<b>£0.00</b> you do not need to advise the insurer because the claim is < £25k. You do not need to be legally represented, but if you do wish to be legally represented, you need to inform the insurer and they will be able to advise and assist you to find a lawyer to represent you. Any legal costs that the insurer agrees are necessary will be covered by your insurance policy.	<b>£0.00 - £5,000.</b> You do not need to be legally represented. The arbitrator will manage the arbitration to ensure you are not disadvantaged. If you do decide to be legally represented the arbitrator will manage the arbitration to ensure that the process keeps legal expenses to a minimum.
Claimant legal costs if they are awarded against you	<b>£0.00</b> legal costs awarded against you are covered by your insurance policy	<b>£3,000.</b> This assumes the arbitrator makes an award for costs against the publisher at the maximum level allowed under the IMPRESS arbitration scheme.
Damages payable by you, if the Claim is successful	<b>£0.00</b> any damages awarded against you are covered by your insurance policy	<b>£20,000.</b> This assumes the publisher loses the claim and is required to pay damages in full
Total paid by you	<b>£892</b>	<b>£26,500 to £31,500</b>

**Scenario 2: The publisher loses at court.**

**The case goes to court and the claim against the publisher is successful.**

<b>Likely costs</b>	<b>What you might pay if insured</b>	<b>What you might pay if <u>not</u> insured</b>
Annual insurance premium and excess payment for Claim	£392 premium (PI cover of up to £250,000)  £500 excess  <b>£892 total</b>	No annual premium or excess payment to pay    <b>£0.00 total</b>
Arbitration Fee	<b>£0.00</b>	<b>£0.00</b>
Your legal costs in defending the claim	<b>£0.00</b> You will need to advise the insurer because you will need to be legally represented. Your legal costs and expenses will be covered by your insurance policy.	<b>Up to £25,000.</b> You will normally need to be legally represented to successfully defend a claim in the civil courts.
Claimant legal costs if they are awarded against you	<b>£0.00</b> legal costs awarded against you are covered by your insurance policy	<b>£25,000.</b> This assumes that the court makes a full award for costs against the publisher. The court may be persuaded to make a lesser costs award because the claimant has refused low cost arbitration and required the publisher to take the more expensive route to court.
Damages payable by you, if the Claim is successful	<b>£0.00</b> any damages awarded against you are covered by your insurance policy	<b>£20,000.</b> This assumes the publisher loses the claim and is required to pay the damages in full
Total paid by you	<b>£892</b>	<b>£70,000</b>

**Scenario 3: The publisher wins at arbitration.**

**The case goes to arbitration and the claim against the publisher is unsuccessful.**

<b>Likely costs</b>	<b>What you might pay if insured</b>	<b>What you might pay if <u>not</u> insured</b>
Annual insurance premium and excess payment for Claim	£392 premium (PI cover of up to £250,000)  £500 excess  <b>£892 total</b>	No annual premium or excess payment to pay    <b>£0.00 total</b>
Arbitration Fee	<b>£0.00</b> Arbitrator fees are covered by your insurance policy	<b>£3,500</b> A maximum fee of £3,500 is payable because you are a publisher with a turnover of > £1m.
Your legal costs in defending the claim	<b>£0.00</b> you do not need to advise the insurer because the claim is < £25k. You do not need to be legally represented, but if you do wish to be legally represented, you need to inform the insurer and they will be able to advise and assist you to find a lawyer to represent you. Any legal costs that the insurer agrees are necessary will be covered by your insurance policy.	<b>£0.00.</b> You do not need to be legally represented. The arbitrator will manage the arbitration to ensure you are not disadvantaged. If you do decide to be legally represented, you will not be able to claim back these costs even if the claim against you is unsuccessful. However, the arbitrator will manage the arbitration to ensure that the process keeps legal expenses to a minimum.
Claimant legal costs if they are awarded against you	<b>£0.00</b> legal costs awarded against you are covered by your insurance policy	<b>£0.00.</b> If the claim is unsuccessful the publisher will not be required to pay the legal costs of the Claimant
Damages payable by you, if the Claim is successful	<b>£0.00</b> any damages awarded against you are covered by your insurance policy	<b>£0.00.</b> If the claim is unsuccessful the publisher will not be required to pay damages to the Claimant
Total paid by you	<b>£892</b>	<b>£3,500</b>

**Scenario 4: The publisher wins at court.**

**The case goes to court and the claim against the publisher is unsuccessful.**

<b>Likely costs</b>	<b>What you might pay if insured</b>	<b>What you might pay if <u>not</u> insured</b>
Annual insurance premium and excess payment for Claim	£392 premium (PI cover of up to £250,000)  £500 excess  <b>£892 total</b>	No annual premium or excess payment to pay    <b>£0.00 total</b>
Arbitration Fee	<b>£0.00</b>	<b>£0.00</b>
Your legal costs in defending the claim	<b>£0.00</b> You will need to advise the insurer because you will need to be legally represented. Your legal costs and expenses will be covered by your insurance policy.	<b>£25,000.</b> You will normally need to be legally represented to successfully defend a claim in the civil courts. It is assumed that the Claimant is required to pay 50% of your legal costs in defending the claim ( <b>£12,500</b> )
Claimant legal costs if they are awarded against you	<b>£0.00</b> legal costs awarded against you are covered by your insurance policy	<b>£0.00.</b> If the Claim is unsuccessful the publisher will not be required to pay the legal costs of the Claimant
Damages payable by you, if the Claim is successful	<b>£0.00</b> any damages awarded against you are covered by your insurance policy	<b>£0.00</b> If the Claim is unsuccessful the publisher will not be required to pay damages to the Claimant
Total paid by you	<b>£892</b>	<b>Up to £12,500</b>