

TRANSLATORS CLAIMS SCENARIO

[This claim scenario is based on an actual claim, but certain facts and events have been modified to highlight the issues and avoid identifying those involved]

A translation service, ABC Company, entered into a contract with an organization, Client Corp., for a series of translation projects in various languages. Client Corp. required that ABC use a particular type of document format for the projects and ABC agreed without any qualification or testing of the format before use. Given the number of projects and difficulties encountered with the document format which caused delays in completion, ABC retained a number of independent contractors to perform much of the work, but did not provide direct supervision and only spot checked the resulting translations. A number of errors were discovered in the translations which required retranslation and reprinting costs totaling in excess of \$30,000. Client demanded that ABC pay these damages due to its contractual and legal responsibility for the work of its independent contractors, whether or not ABC supervised or thoroughly verified the translations performed by these independent contractors. ABC reported the claim to its insurer, which ultimately paid the amount of damages as there were no viable defenses and the independent contractors who committed the errors did not have their own insurance coverage.

The lessons to be learned from this scenario are that retaining independent contractors does not insulate the insured from liability for the work done on behalf the insured; that providing supervision and thorough verification of the accuracy of work provided by independent contractors, no matter how trusted or skilled they might be, is an excellent claim prevention too; and where possible, it may be advisable to ask or require that independent contractors have their own insurance coverage for errors and omissions, including possibly naming the insured as an Additional Insured on such policies for work done on behalf of the insured.