

Own side disbursements cover

Disbursements can frequently become a major cost in any case, particularly one that requires reports from experts to obtain evidence.

This product covers the cost of the policyholder's own disbursements for 100% of the disbursements paid to own side advisers (other than solicitors) and experts. It provides reassurance that in the event that the policyholder is unsuccessful, they are covered for those fees up to the limit of indemnity provided under the terms of the policy.

The cover can be purchased as a standalone insurance product, or in conjunction with our adverse costs cover and/or own side solicitor's fees cover.

Case Study

A long-established family-run business fights for its right to use its name, which is shared with that of a global brand.

What happened?

The two firms initially operated in different industries. However, the global company subsequently sought to utilise their name on products which were directly in competition with the smaller family-run business.

A trademark dispute ensued regarding the use of their common name. The family business succeeded in protecting its trademarks. Various attempts to resolve this dispute followed, including negotiations for a licence.

When these negotiations ultimately failed, the family business brought proceedings for breach of their trademarks. Knowing that the disbursements involved in the action would be high, given the heavy involvement of specialist counsel and experts, they sought to limit their financial risk.

Harbour Underwriting provided disbursement only cover to the family business so that they could manage their exposure if they were unsuccessful at trial. If this happened, the disbursements incurred would be covered under the policy.

Outcome

Despite various attempts by the family business to engage in settlement discussions, the defendant decided to run the action to trial, knowing that they were in a stronger financial position. Indeed, they launched multiple court applications causing the family business to spend more on disbursements than they had initially bought the cover for. To further protect themselves, they increased the limit of indemnity under the policy provided by Harbour Underwriting. The family business was successful at trial though the defendant has obtained permission to appeal to the Court of Appeal.

Summary

Harbour Underwriting initially provided own side disbursement cover, and as the costs increased, Harbour Underwriting agreed to increase the level of cover. Following the family business's success at trial, Harbour Underwriting agreed to extend the policy to cover the disbursements incurred during the appeal.