

## Buncefield explosion: successful £1.8m business interruption claim

***“Morgan Clark’s business interruption specialists guided the senior management through all the possible options for re-instating the business. In particular, they developed different ways to re-structure operations so the group could resume trading quickly.”***

### Incident

The Buncefield oil depot explosion in 2005 was Britain’s biggest peacetime explosion, causing massive damage. One organisation affected was a large electronics group. Its industrial unit housed a number of its operations: UK DVD packaging and distribution; UK electronics distribution; and DVD distribution in France. The unit and all stock was so badly damaged that the company couldn’t continue trading from its current premises.

In the aftermath of the disaster, the group turned to Morgan Clark’s team of experienced commercial loss assessors to advise them on how to re-instate the business quickly and in the most cost-effective way within the constraints of their insurance policy.

### Claim

Morgan Clark immediately worked with the group to devise a strategy to get the business up and running again quickly. In particular, Morgan Clark’s specialist business interruption consultants guided them through the options for re-instating the business.

Morgan Clark explored different and imaginative ways to re-structure operations temporarily so that they could resume trading. In particular, they devised a ‘mix and match approach’ which would facilitate a more speedy resumption of trade. Morgan Clark’s specialists also worked with the group’s management to calculate a realistic claim for loss of profits. Prior to the disaster, the group had gone through a rationalisation and restructuring programme which had caused a temporary fall in turnover. Morgan Clark argued that this would have led to a subsequent upward trend.

### Results

With the help of Morgan Clark, £1.8m was successfully claimed under the terms of its business interruption insurance, covering:

- The cost of relocating part of the UK operation into the group’s former premises; the rest elsewhere; and the French distribution operation to a French logistics company.
- Sufficient emergency funding to maintain cash flow and enable the group to continue trading during the indemnity period.
- A favourable loss-of-profits settlement: Morgan Clark successfully argued that turnover would have risen despite recent downward trends.
- A substantial lump sum settlement after nine months for the balance of the one-year indemnity period, enabling a speedy return to full trading.

***“Despite a recent downward trend, Morgan Clark successfully argued that this was due to restructuring and that turnover would have risen if the incident had not happened.”***

Call us today on 0800 0975156 to discuss how we could help with your insurance claim.

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