

Damage to computer server: £15,000 for speedy data recovery and system replacement

“The claim was extremely complicated and technical so we realised we needed an expert. I’m absolutely convinced that, if Morgan Clark hadn’t successfully negotiated the settlement, we would have been out of business. They were relentless in pursuing our claim and at every stage went the extra mile.”

Incident

Graphic designers Hicksville’s business was growing fast and they decided to move to larger serviced offices within the same building. In the process of moving, their main server was accidentally dropped and badly damaged. As a result the data stored on it was completely inaccessible.

The server contained all the business’s ongoing work as well as clients’ back catalogues. Hicksville had business interruption insurance cover but this stipulated that data had to be securely backed up. The damaged server, which comprised a RAID storage system, had in effect an intrinsic back-up system as its multiple disks held replicated records. Despite this, Hicksville had always ensured there was a separate back up, but coincidentally this had stopped working.

Managing Director Rennie Mitchell realised he faced a very difficult insurance claim and therefore appointed Morgan Clark to handle it on the company’s behalf.

Claim

The priority was to restore the data quickly: without this, the business would not survive. Hicksville found a specialist company in Wales which was able to recover the lost data from the server within a few days. The cost for this was £13,000. Cheaper alternatives existed but would have taken longer, leading to additional loss of income and new business opportunities, and jeopardising the future of the business.

However, the insurer initially refused to cover the cost of restoring the data because of the lack of back up. Morgan Clark put forward a number of counter arguments over the use of the RAID system but in particular demonstrated that, if Hicksville put in an alternative claim for business interruption, this would result in a far higher settlement.

Result

After protracted negotiations, Morgan Clark achieved the settlement Hicksville wanted. The insurer agreed to pay £10,000 towards data recovery (the maximum cover available) plus the cost of a new server, which amounted to £5,000. More importantly, there was only a short interruption to the company’s trading and they were able to survive this potential catastrophe.

“Morgan Clark used its expertise to advise us on the claim we should make. At every stage, the insurer presented arguments which Morgan Clark successful countered. In short, they saved our business.”

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

www.morganclark.co.uk