

Industrial floorings manufacturer fire: £1.52 million settlement

“The company faced suspicion over the cause of the fire as well as suffering a complete loss of the manufacturing facility. Morgan Clark convinced the insurer of its full liability and then worked to safeguard the future of the business.”

Incident

A large manufacturer of industrial floor coatings with operations across the UK suffered a devastating fire in its Warrington factory. This unit not only manufactured products for all three group companies but also housed a research facility and sales offices. The entire operations of the group were therefore severely affected.

Floor coatings manufacture involves the use of highly-flammable and volatile materials. In view of this, the insurer's loss adjuster questioned the company's compliance with the terms of the insurance policy and in particular its security and safety procedures. Faced with such a difficult negotiation, the management turned to Morgan Clark.

Claim

Morgan Clark's immediate priority was to safeguard the future of the business. They found alternative premises for the sales offices so that customer contact could be continued, while some product manufacture was transferred to another unit and to sub-contractors. However, to receive full cover for its losses, the company still had to prove compliance with the terms of the policy.

Morgan Clark liaised with the insurer's loss adjuster while it conducted two meticulous physical forensic investigations, and sat in during interviews with all 30 members of staff. Eventually, after protracted disputes and numerous solicitors meetings, the insurer accepted that the group had complied with the terms of its insurance policy but challenged the size of the claim.

While this was happening, Morgan Clark also worked with the company to find the most satisfactory way to re-instate the business within the terms of the insurance policy. In particular, they advised that there was the option to re-build on another site, and that this presented an opportunity to rationalise the group's activities and save costs.

Results

Morgan Clark drew up in partnership with the company's management an action plan to mitigate losses, assessed the costs and benefits of these actions. After lengthy negotiations, the insurer finally agreed to the full £1.52 million claim, and also agreed that the manufacturing unit could be re-located to another group site instead of being re-built on the original site.

As a result, the company rationalised its operations and consolidated activities into fewer companies. Although the disruption led to the loss of some customers, this was more than offset by the savings achieved through re-locating the manufacturing unit.

“With Morgan Clark's help and advice, and their detailed and realistic action plan, the group ended up with a streamlined structure: manufacturing was rationalised and sales functions consolidated, creating a stronger business than before the fire.”

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

www.morganclark.co.uk