

Suspicious fire in motor repair centre: full settlement for business interruption and new premises

"I would advise anyone who suffers a major disaster like a fire to get their own loss assessor on board straight away. I know now that it is simply not worth the risk of trying to handle the claim yourself."

Incident

Choice Coachworks is a well-established motor repair centre in High Wycombe. A fire in the early hours of the morning caused extensive damage to the building, machinery, tools and equipment, and to business-owned and customer vehicles.

The police subsequently discovered that the front shutters of the premises were open, the padlock securing them had been cut and a rear door was also open. As a result, the insurance company disputed liability.

Claim

Initially the owner of the business put the claim in the hands of his insurance broker, but it was soon obvious that they did not have the necessary expertise to handle the very complicated negotiations. Unfortunately this resulted in a three-month delay.

The business now found it itself in serious financial difficulties as it was not able to continue work in the damaged premises. And there were no insurance payments to cover this as it did not have business interruption cover. The company's bank manager therefore advised the company to seek expert professional help with the claim and recommended Morgan Clark.

The outcome

Morgan Clark quickly assumed full responsibility for the claim. Within just two weeks, the insurer accepted liability and agreed to an interim payment of £40,000 to alleviate cashflow problems. This proved instrumental in ensuring the survival of Choice Coachworks, enabling it to buy new equipment such as spray booths and ovens.

The business moved to temporary premises and then, with Morgan Clark's assistance, was released from the leasehold for the fire-damaged property. This enabled Choice Coachworks to stay permanently in the new, bigger and better premises.

However settlement could not be agreed with the loss adjuster. Morgan Clark therefore took the case to a senior level within the insurance company and successfully demonstrated that the higher settlement figure it had calculated was correct. The insurer finally agreed a cash settlement of £85,000.

"As a successful businessman I thought I could handle the claim myself. Our broker said he had a good relationship with the loss adjuster and our insurer, and that the claim would be straight forward. In the end it was clear that our broker had no influence at all. In fact, I think he was afraid of upsetting the insurer and did not fight our case as I expected."

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

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