

Flood at engineers: successful negotiation for increased cost of working

“We were devoting valuable management time on the claim, which was starting to have a major affect on the business. Morgan Clark took over the whole process and successfully negotiated a far higher settlement, which included covering increased cost of working.”

Incident

A major flood in Uckfield led to water three-feet deep in the offices of an engineering company. This caused major damage to computers, plotters and CAD equipment.

The directors of the company were becoming frustrated by the delay in settling their claim. They were receiving very little support from the insurance company's loss adjuster and were handling the claim themselves. Diverting vital management time on the claim and planning the reconstruction of the office was starting to affect on the business.

The directors therefore turned to Morgan Clark to take over the claim and to ensure the company received full compensation for all of their losses.

Claim

Engaging Morgan Clark had immediate effects. Within days an interim payment of £20,000 was agreed to cover essential purchases and assist the company's cash flow. Morgan Clark then started negotiations for replacing contents on a new-for-old basis.

The building claim had progressed to the point where the loss adjuster had offered £22,000 in full and final settlement. However Morgan Clark felt this was not sufficient to cover the full costs of damage to the building.

In addition, the loss adjuster refused to cover for business interruption, maintaining the company had not suffered a downturn in business as a result of the flood. Morgan Clark therefore pursued the claim for “increased cost of working” rather than “loss of profits”.

Results

Morgan Clark successfully negotiated on all the disputed points. The final result was:

- New-for-old contents claim of £52,000.
- Building claim renegotiated to £32,000 – 46 per cent higher than the original offer.
- Increased cost of working claim successfully negotiated, resulting in a cash settlement of £14,000.
- In total, the overall claim value increased from £74,000 to £98,000, with Morgan Clark's fee only 10 per cent of the final settlement.

“The final settlement included cover for increased cost of working rather than business interruption. This helped significantly in lessen the impact of the flood on our business.”

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

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