

# UK Floods

Claims Guidance for Businesses



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Heavy rainfall at the end of 2013 and early 2014 has caused the worst flooding in parts of the UK since records began.

For businesses who have Property and Business Interruption Insurance, prompt settlement of their claim will be critical for financial recovery.

As the waters recede and businesses start picking up the pieces, their thoughts will inevitably turn to insurance - what should they do to get their claims paid quickly and hassle free?

The sheer volume of claims being notified by policyholders will undoubtedly cause logistical problems for insurers and their loss adjusters. Businesses should ensure they understand the process and proactively control their claim to avoid the possible problems that might otherwise arise.

With this in mind, we have prepared the following guidelines:

## GUIDING PRINCIPLES

- You are the experts in your business and you make the decisions – your business objectives, not insurers', should drive loss mitigation and business recovery.
- The process of settling a major claim is lengthy and time consuming. Insurers appoint a range of experts to investigate and measure the loss. Substantial information and documentation is required.
- Loss Adjusters and other insurer appointed experts act for insurers. They do not act for you beyond protecting insurers' interests.
- The onus is on you to fully document and evidence your claim. The quality of claim presentation and supporting documentation is critical to a successful settlement.
- Providing inaccurate or incorrect supporting documents can be damaging and potentially reduce the value of the settlement.
- Communicate, communicate, communicate – too much is better than too little. Keep insurers' experts informed of progress throughout the period of the claim and do not release information until you fully appreciate its impact.
- Ensure you are clear about the process and what is required of you. If you don't understand something, ask and ensure you are satisfied with the response.
- Appointing an independent claims consultant can be advantageous. Select the consultant based on their track record of success and the skills and expertise they offer.





## STRATEGIC MANAGEMENT

- Organise the systematic collection of information as it becomes available - searching through historic files at the end of the claim is rarely productive.
- Seek the loss adjuster's agreement on key decisions, such as reinstatement methods, mitigation expenses, time lines etc., at the time decisions are taken, ensuring that they are faced with the same realities and uncertainties as you. This denies them access to hindsight!
- Prepare best and worst case cost estimates as soon as feasible. Ballpark figures with plenty of contingencies are better than nothing.
- Ensure you identify and comply with critical policy conditions, such as dates and time limits for the notification and/or presentation of claims. Failure to do this can result in failure to recover your claim.
- Ensure that all documentation passed to insurers is accurate.
- Communicate any problems, for example with suppliers, timetables, work schedules etc to the loss adjuster immediately they become apparent – so you include them in the problem solving process.

## SOME PRACTICAL TIPS FOR EVIDENCING YOUR CLAIM

- Set up a daily recording system so that all relevant facts and events are adequately reported (existing reporting systems may not be sufficient).
- Collect reports, drawings, photographs as appropriate to adequately establish the nature and extent of all loss and damage sustained.
- Document all conclusions of discussions and action points arising from each meeting, leaving no room for misunderstandings or incorrect assumptions.
- Ensure that all the time spent by company employees on claim related activity is properly recorded (including details of the work carried out).
- Justify decisions made with all relevant documentation.
- Support all costs by appropriate documentation such as purchase orders, work orders, invoices, time sheets, service contacts and material requisitions.

## CLAIMS CONSULTANCY An Experienced Partner

Echelon Claims Consultants offer specialist advice to help mitigate the effects of loss and manage the resultant insurance claims with insurers and their appointed experts.

Our team of multi disciplined loss adjusters and claims professionals has many years experience helping major organisations with catastrophe claims, including tsunamis, hurricanes and major floods.

### Our services include:

- Advice on loss mitigation
- Development and implementation of claim strategy
- Claim technical and procedural advice
- Assessment of policy coverage
- Implementation of processes for data collection and loss measurement
- Claim preparation
- Claim negotiation
- Review of claim submissions
- Stage payment applications.

Dealing with a large claim is time consuming and may require additional resources and specialist help to obtain the optimum result. If you would like to know how we could help you optimise and expedite your claim please contact:

Frazer Dewey  
frazerdewey@echeloncl.com  
+44 (0)20 7558 3241

Candy Holland  
candyholland@echeloncl.com  
+44 (0)20 7558 3230

Ian Fulton  
ianfulton@echeloncl.com  
+44 (0)20 7558 3233



Echelon Claims Consultants  
The St Botolph Building,  
138 Houndsditch,  
London EC3A 7AW

Tel: +44 (0)20 7558 3231  
Fax: +44 (0)20 7558 3241  
www.echeloncl.com

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