

UK Disturbances



In light of major disturbances in several English cities and towns, Marsh has prepared this Adviser to assist clients who have been or might be affected by these recent events. The Adviser outlines issues to help clients determine the key areas and actions that they should focus on.

Claims

The following is an action plan for clients and is for guidance only. Any claim will be considered on the merits of the facts, the specific policy(ies) and insurers' interpretation of the policy(ies).

Notification

- In the event of a potential loss, notify your Marsh contact or if required by your policy, your insurer immediately. This notification needs only to be on a precautionary basis. Check your policies for specific notification requirements or obligations.
- Inform your local police authority of all criminal damage as an act of prudence. You/your insurers may wish to consider pursuing a claim under the Riot (Damages) Act, requesting and completing any necessary documentation.
- Ensure you notify all possible policies/insurers. You may have multiple policies that could provide coverage. Have policy numbers to hand/available.
- Following notification, continue to work closely with your insurers and/or your Marsh contact. Continue to keep them updated on all material developments.

Evidence

- Record all potential claim-related costs in as much detail as you can, and keep insurers advised of all business decisions you make that may impact the claim. Take photos, videos (if possible and if safe to do so) and retain all original documentation. Where possible, retain damaged property and/or equipment as it may need to be assessed. If appropriate retain separate accounting codes for ease of cost identification.
- Obtain help in developing and presenting your claim, as necessary. Insurers will likely appoint their own experts such as forensic accountants and engineers. to work with their loss adjuster. Clients may be well advised to consider the appointment of their own experts, in particular claims consultants and forensic accounting support. Check whether claims preparation costs are available under the policy.

Acting prudently

- It is a fundamental principle of insurance that you should act prudently and as if uninsured. You may be asked at a later date to justify your actions by insurers and/or their representatives.
- Equally you will be expected to mitigate your loss, i.e. take reasonable steps to minimise both your loss and that of insurers.
- Put on notice any third parties against whom you or your insurers may seek to pursue recovery.
- Take all reasonable steps to protect your business and your property.
- It is important to cooperate fully with insurers and their representatives, including reasonable requests for information. If in doubt, speak to your broker or adviser.

Policy response

- Policy response will depend upon both individual circumstances and specific policy language.
- Potential first party policies which could respond include Motor, Property Damage and Business Interruption, Terrorism, Political Violence and Supply Chain Insurance.
- Coverage issues may materialise, such as specific interpretation of clauses and wording, security and other additional costs incurred, business interruption as a result of closure of premises on a precautionary basis, and the number of losses and deductibles that will apply.

Our experience of managing major loss events is that the full facts will take some time to materialise. Issues will become clearer, and each client will have their own circumstances to consider in presenting their claim.

Are your people safe?

For all organisations the primary concern is to protect the safety of their staff and the public. This also includes protecting those staff working during the evening/night.

Organisations should ensure all staff and the public are safe. They should:

- Provide clear instructions about not travelling to work if it is not safe to do so.
- Provide clear communication to customers and staff about leaving the premises and providing assistance if required.
- Ensure that the location and travel plans of all members of staff are known.
- Make sure there is an open communication channel for staff to gain advice or provide information about changes to their situation.
- Regularly review the situation with regard to staff safety, taking into account advice from the police and communicate any change of instruction clearly and in a timely manner.
- Develop a clear policy around absence from the office.

Physical assets

Organisations should consider the following:

- Before leaving the premises, ensure that any business-related information is backed up and taken offsite to ensure a complete set of records is maintained.
- Ensure premises are secure and the area around their property is clear of potential items that could be used to damage it, including scaffolding poles, pieces of timber, bricks, masonry, building materials. In particular, no combustible waste materials should be kept outside the premises.

Business continuity

For those businesses that have been impacted, the immediate action is to refer to your business continuity plan for guidance on how to respond to and recover.

To help ensure they are prepared for future incidents, businesses should consider the following:

- Develop a business continuity plan.
- Review any existing business continuity plan and familiarise yourself with it.
- Ensure copies of your business continuity plans are held offsite and at home with senior management.
- Stay in close communication with your key stakeholders such as customers, suppliers, partners and insurers.
- Increase physical security at your premises as necessary.
- Develop a plan to re-establish communication to employees, customers and external stakeholders if telecommunication is disrupted.
- Make a list of useful emergency numbers in case of your premises are affected such as security contractors, glazers, boarding-up companies and insurer claims teams.

Further information

Marsh's experts can help you understand and manage such incidents. They can help guide you through such events by helping you through the complete claims process ensuring that you are back in business as quickly as possible and that your employees receive the support required.

For further advice and assistance please contact your usual representative or contact the Marsh out-of-hours claims hotline:

+44 (0)845 604 8588