

LOREGA ADJUSTER REDUCES BUSINESS INTERRUPTION CLAIM FOR GASTROPUB.

When a major fire broke out in a traditional gastropub, located in London's West End, it suffered serious damage to its structure and the roof.

Luckily the pub, which dated back to the 1880s, was unaffected by the fire itself, but there was significant damage done by the fire service's extinguishment water, which entered the pub and restaurant on the ground floor, as well as the kitchen in the basement.

This resulted in the ceiling collapsing and extensive damage to the flooring and the kitchen equipment, including the cookers and extraction system which suffered major damage.

The result of this extensive damage meant that the pub was unable to trade, so the owners immediately contacted their insurance broker to find out what could be done under their insurance policy.

As they had Loss Recovery Insurance, Lorega was able to send a Chartered Loss Adjuster to visit the site within 24 hours and instigate drying measures, reviewing the extent of the damage and deciding on a strategy for moving forward.

Unfortunately, this was not a straightforward claim and problems arose with regards to the separate buildings insurance arranged by the landlord, who seemed reluctant to instigate works to the flats and roof.

This resulted in subsequent rainwater penetrating the pub, meaning further damage. It transpired that the landlord of the building was submitting a planning application to change the roof and add more flats above the pub, which would result in considerable delays.

The Lorega adjuster was able to communicate with the insurers, who ultimately agreed to fund the emergency works needed including a "tin hat" over the building. Although this was not strictly covered under the policy, our adjuster argued that this would reduce the business interruption claim, which would outweigh the cost of the emergency works.

This resolved the initial issues with rainwater and allowed proper drying to proceed, meaning agreements could be reached over the internal refurbishment of the pub.

The Lorega adjuster worked side by side with the client to maintain detailed records of any costs incurred and to prepare a full business interruption claim for presentation to the insurer's loss adjusters.

This was a complicated process as many of the staff had been redeployed to other pubs owned by the policyholder, but after considerable negotiation our adjuster was able to agree a sensible mechanism for calculating the loss of profits claim.

The pub reopened, but trade was still affected as works to the flats and roof were ongoing and there was scaffolding across the frontage. Our adjuster obtained agreement to put up temporary signage alongside some initial promotions, and a claim was agreed within the maximum indemnity period.

The pub is now continuing to trade successfully having re-established itself in the local market; both the broker and the policyholder were delighted with the service they received from Lorega.