

Advisory Alert: Insurance Claim Services at a glance

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Most commercial property insurance policies provide coverage for business income loss (business interruption) by including an endorsement to the insured property policy. This endorsement is designed to protect the insured for losses of business income sustained as a result of direct physical loss or damage to property at the premises, by a covered peril.



Ojel Rodriguez

Partner Head of Advisory
Kevane Grant Thornton
T (1) 787 754 1915
E ojel.rodriguez@pr.gt.com

Visit our website

www.grantthornton.pr

The purpose of the business income loss endorsement is to help businesses be in the same economic condition it was before the event loss. This endorsement typically provides coverage for: (a) profits that would have been earned if the covered peril had not occurred, (b) fixed costs incurred during the restoration period, (c) costs incurred for relocating the operations to a temporary location, and (d) extra expenses, beyond fixed costs, that allow the business to continue operations while the property is being repaired.

Your challenge

Time is of the essence when your business suffers a loss due to a natural disaster, accident, employee theft, cyber-attack, or other peril. When disaster strikes, your focus must be on maintaining the safety and security of your people and property, reserving cash flows, mitigating loss, and restoring operations. Business interruption events often result in significant cash outflows to repair and replace property at a time when cash inflows are reduced due to a partial or complete cessation of operations. We help you accelerate the claim process, so that you can get back to business as quickly as possible.

We recognize the complexity of insurance claims and the burden the process can place on a company's staff during the restoration period. We work collaboratively with clients, their insurance brokers, and their counsel to provide loss advisory and insurance claim preparation services. We strive to achieve timely and appropriate settlement of your claims – protecting your interests while voiding unexpected pitfalls.

Immediate response

Phase 1: Develop preliminary loss estimate and approach

- understand policy coverage, mitigation, and particulars of the loss
- set up communication and reporting protocols
- compile and analyze relevant data
- develop preliminary loss estimate and plan for comprehensive claim
- support cash advance requests

Robust analysis and support

Phase 2: Prepare and document comprehensive claim

- calculate projected revenues and expenses had loss not occurred
- identify extra or expediting expenses
- develop a comprehensive claim package with appropriate support
- address questions raised by carriers, their adjusters, and their accountants
- help management present the claim to the carrier team

Expedited process

Phase 3: Effect a fair and timely settlement

- provide independent insights and analysis
- support management in its negotiations to resolve claims
- help management analyze and understand insurer's calculations
- help manage internal and external expectations

The Grant Thornton advantage

Complex claim experience

Grant Thornton member firms have deep expertise in many industries, as well as significant experience with claims resulting from hurricanes, floods, fires, explosions, and other insured events. Our professionals have worked for insurance carriers, brokers and carrier accounting firms, and can anticipate potential claim pitfalls at the outset of the process.

Immediate responsiveness

The timing of insured perils is unpredictable. We are immediately responsive to your needs and can deploy an onsite team around the globe to help 24/7. Insureds must manage the claim process or it can languish. We help you expedite claim cash flows and move toward settlement—enabling you to focus on running your business.

Geographic reach

We are where you are. Grant Thornton has over 47,000 employees located in more than 130 countries around the world. We have local resources in your market, led by experienced claim professionals.

Fee coverage

Fees for loss adjustment services provided by Grant Thornton are often covered under your policy and become part of your claim. Unlike other service providers, our fees are not contingent on the outcome of your settlement, but are instead based on time and materials.

Client service examples

- supported a heavy equipment manufacturer with recovery of a \$20 million windstorm claim involving interdependent facilities
- assisted a luxury apartment company with recovery of a \$70 million construction defect claim related to water damage and mold losses
- prepared \$10 million business and service interruption claim on behalf of a major pharmaceutical manufacturer that suffered damages from an accidental chemical spill and Hurricane Floyd flooding
- led development of a \$30 million business interruption claim on behalf of a major fruit grower related to damaged levees and drainage canals caused by Hurricane Mitch in Guatemala
- led an investigation and fidelity claim recovery in connection with a payroll fraud onboard a cruise line fleet
- managed preparation of \$50 million business interruption claim on behalf of an auto parts manufacturer after a fire destroyed a key finishing plant in Torreón, Mexico

We are committed to keep you updated of all developments that may affect the way you do business in Puerto Rico. Please contact us for assistance in relation to this or any other matter, we will be glad to assist you.



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