

Case Study

Major and Complex Loss Following Fire at Multi Storey Car Park in Liverpool

On New Year's Eve 2017 a large multi storey car park adjacent to the Echo Arena in Liverpool suffered catastrophic fire damage. The fire started in the late afternoon, just as hundreds of people were arriving ahead of New Year's Eve celebrations. Immediately adjacent to the car park was a substantial boutique hotel that, as a result of the massive fire, suffered extensive smoke damage and major business interruption issues, not only during the fire and its immediate aftermath but for several months afterwards.

Thompson & Bryan were appointed by the hotel operator to manage the insurance claim on their behalf. The extent of smoke ingress and soot damage was significant and spread across all floors of the building albeit only on one side of the property.

We immediately engaged with a leading decontamination and damage mitigation specialist who met us on site within days of the fire being extinguished. The primary aim was to carry out a full and complete decontamination to all affected areas of the hotel while causing the minimum possible interruption to room availability and trading generally.

Through close liaison with insurer's loss adjusters and the decontamination company we agreed the scope and cost of the decontamination project and, notably, a specific programme of works and sequencing of works that minimised the number of rooms that were not available for booking.

Separately and concurrently, we collated extensive management information regarding room capacities, occupancy levels, charge out rates and short versus longer terms bookings to assist in the preparing the optimum calculation of the estimated business interruption impact.

The claim was considered in three areas - firstly the direct effect of smoke and soot damage, secondly denial of access during the fire and the immediate post loss period and thirdly loss of attraction resulting from the car park being effectively destroyed and the resultant reduction in visitors to the area generally.

We recovered the cost of the decontamination process and other repairs in full together with the immediately post fire additional expenditure incurred by the policy holder in relocating guests who had booked rooms on New Year's Eve and in the immediate period thereafter.

Moreover, we calculated and subsequently negotiated a settlement in relation to the ongoing business interruption that exceeded the client's expectations.

*Thompson & Bryan (UK) Limited
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