



J. BENNETT & SON
INSURANCE BROKERS

BOOM!

6:01am, 11th December 2005. Even 20 miles away, I was shocked out of my sleep, as many people were who heard the large explosion emanating from the Buncefield Oil Depot at Hemel Hempstead.

On Monday morning, from news footage seen, it was apparent that one of our client's premises was severely damaged, and it was unlikely that they would be operating from there in the near future, if at all. Planning meetings were held with the client and loss adjusters to determine the best way forward and to see what could be salvaged.

After the fire was eventually extinguished and police allowed access to the site, it was clear that the premises were beyond repair and the building would have to be demolished. It was also apparent that the majority of their hi-tech production machinery was damaged and probably written off.

Fortunately, computer records had been backed up and we were able to agree a rapid interim payment from insurers to pay staff and arrange alternative office premises, while searching for a new manufacturing site.

With the help of contacts within their industry, our clients were able to arrange production time on demonstration equipment at various locations, as well as working at other manufacturers' premises who kindly provided time using their machinery.

Although the cost of the replacement machinery would be covered by the Material Damage Section of their policy, vast inroads were being made into profitability due to the additional expenses being incurred. With very little manufacturing and hence sales being carried out there was no income, so continual interim payments were made by the insurers under the Business Interruption cover.

As our clients had the correct insurance in place, they were able to source alternative premises quickly, and arranged delivery of replacement machinery and the fitting out of the new industrial unit to their specifications. By February they were able to re-start production at their brand new premises, and from 13th March, our clients were fully operational.

April 2006