Crawford

Case Study

Managing delicate relations in liability claims - A case of triple errors

INDUSTRY
Logistics services

LOCATION
Southeast Asia

CLAIM TYPE
Comprehensive General Liability

CHALLENGE

The Insured, a logistics provider managing ISO container storage and transportation, faced a significant contamination incident caused by a sequence of operational oversights. An incorrect container filled with petrochemical was mistakenly released from the Insured's yard and delivered to a key customer. The receiving plant also failed to verify the contents before pumping the product into a tank containing a different grade. This resulted in cross-contamination, rendering both cargoes unusable and leaving only minimal salvage value. The customer submitted a claim in hundreds of thousands dollars for product loss, tank cleaning, and disposal. Due to the customer's commercial importance, all communication had to be carefully routed through the Insured, requiring sensitive handling to preserve the relationship.

SOLUTION

Working closely with the Insured and their broker, we conducted a thorough review of the operational sequence and the customer's verification processes. Our assessment confirmed that the customer shared responsibility for not validating the container contents before transfer. Using these findings, and managing all discussions through the Insured, we supported negotiations that significantly reduced the final claimed amount. This approach protected the customer relationship while achieving a significantly improved financial outcome for the Insured. The Insured concluded the matter satisfied with both the process and the final resolution.

RESULTS

Protected customer relationship for the Insured

40%

deduction from claim amount