

Strategic expert reviews avoided litigation

CHALLENGE

A high-pressure steam header failure at a 35MW biomass-fired power plant caused extensive piping damage and forced a shutdown, triggering both Property Damage and Business Interruption claims. The machinery claim included installation costs, expediting expenses, and multiple associated equipment items, requiring metallurgical analysis, SCADA data review, and assessment of potential defective-parts exclusions. The Business Interruption claim added further complexity with *BOI-related revenue structures, alternative income, bagasse fuel savings, uninsured maintenance days, and verification of the sum insured. The scale and technical nature of the submission required detailed forensic review to ensure accurate, policy-compliant loss quantification.

SOLUTION

Our team conducted site inspections, coordinated engineering experts, and analysed metallurgical findings and SCADA logs to verify causation. Each machinery claim component was validated against purchase orders and shipping documents, removing excluded defective parts, overstated quantities, upgrades, and non-covered fees. Installation and expediting costs were rigorously reviewed, and salvage recoveries secured. For Business Interruption, we partnered with forensic accountants to assess revenue streams, local policy, bagasse fuel savings and uninsured maintenance periods. After detailed insurer and reinsurer reviews, BI exposure was accurately established, resulting in a compromise settlement of over USD 3 million and avoided litigation.

INDUSTRY

Power

LOCATION

Southeast Asia

CLAIM TYPE

Property Damage & Business Interruption

RESULTS

Significant reductions applied to machinery costs, professional fees and BI components

Litigation avoided through structured technical and financial negotiation