

Clear communication delivers clear savings

CHALLENGE

The Insured's Scandinavian operation designed and installed two ice-cream production lines for a food plant in Germany, involving an extended contractual chain where the Insured had no direct contract with the Claimant. Two months later splinters were found in the ice-cream. It was alleged that wooden ice-cream sticks were splintering under high pressure and speed within the equipment, that this issue had been occurring since the production lines were operational and was known to the Insured prior to notification. The Claimant initiated a claim for circa €2.4m against the Insured, via the contractual chain, for loss of stock, profit and future production due to running the lines at reduced capacity.

SOLUTION

With an international contractual chain involved, Crawford applied a 'cross-border' strategy. Our German offices reconciled damaged stock held by the German customer, obtained evidence of loss and provided advice on liability for contracts subject to German law, while our UK offices advised on liability for contracts subject to the laws of England and Wales. Forensic experts advised on causation and forensic accountants reviewed and reconciled losses submitted by the Claimant. Our UK team coordinated all parties – Insurers, brokers and risk managers – ensuring consistent communication and efficient resolution. Forensic teams validated the Claimant's losses at €1.6m, the product liability policy was seen to provide cover, the Insurer provided settlement authority and our UK team brokered a settlement of €1.5m at a meeting with the Claimant's representatives in Germany.

INDUSTRY

Food production

LOCATION

Europe

CLAIM TYPE

Product liability

RESULTS



€900,000

savings against initial €2.4m allegation.