

*The Chartered Institute
of Loss Adjusters*



The Waste Sector

Recycling the Lessons from Claims

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Overview – Harry Roberts

- Harry Roberts – Chairman – Introductions
- Paul McLarnon & Neil Beresford
 - Case Study: anaerobic digestion
 - Proximate Cause
 - MD/BI Coverage Issues
- Steven Nock
 - Stock/Materials in Trade and Debris Removal
 - The Maximum Indemnity Period

Coffee

- John Glover
 - Providing a Claimant's perspective
- Damian Glynn
 - Business Interruption – Revenue Streams and their impact on the mechanics of BI cover
- Summary and Discussion

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Some Background to the Case Study

- What is anaerobic digestion?
- The scale of operations and technologies employed
- What are the common issues in plant failure?
- Purpose of case study

Case Study

Proximate Cause

- Pressure release valve?
 - Defective design?
 - Genuine cause of loss?
- Alarm?
 - Defective workmanship? By whom?
 - Operational error or omission?
 - Genuine cause of loss?
 - Scope of writeback

Case Study

Proximate Cause

- Fatigue?
 - Is it a ‘mechanical breakdown’?
 - Is it a ‘pressure vessel’?
 - Other concurrent causes?

Material Damage Cover

- Buildings
 - Designation of digester tanks and equipment?
 - Market consistency?
- Stock
 - Is feedstock, stock?
 - Does it have a value?
 - How do we treat the microbes (beneficial bacteria)?
- Debris removal – policy coverage issues
 - AICOW?

- Contents
 - Digestion plant – is it all covered under the Contents definition?
 - Adaptation to work in the UK market
 - Microbes
 - Are they being processed or are they doing the processing?
 - Relevant exclusions

Material Damage

- What is the example policy response – Coverage and relevant exclusions ?
 - Tank
 - CHP plant
 - Microbes
 - Stock
 - Debris Removal

Revenue Losses

- Coverage ?
- Some special issues attaching to the BI aspect
 - Quality of feedstock
 - Actual performance versus design
 - Revenue during the commissioning period?
- ROC valuation
 - Fines and penalties?
- Savings
 - Depreciation – longevity of kit?

Recovery Aspect

- Interested parties
 - OEM
 - Contractors
- Complications
 - Additions to original design (bolt on's)