



Case Study

INFECTIOUS DISEASE



Photo Cred: CDC

Timely involvement of McLarens adjusters with the Insured resulted in expeditious reporting and satisfactory settlement of complex loss of revenue and Business Interruption (BI) claim by a global hotel chain.

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SITUATION & CHALLENGE

A five-star luxury hotel in Miami experienced a sudden spike in guest room and conference booking cancellations amid the outbreak of an infectious communicable disease/virus reported near its premises. The hotel sustained a significant loss of revenue. The hotel management became concerned about its business continuation and referred to their existing insurance policy with an extension that provided coverage for an infectious viral communicable disease.

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MCLARENS ROLE

The insured's broker immediately contacted McLarens, as an expert with unique infectious communicable disease claims, to assist with reporting of this complex multi-million-dollar claim to the respective Insurers.

McLarens quickly assembled a cross-functional team of expert adjusters, forensic accountants, and met with the Insured on site to start the investigation. Partnering with the insured, broker, and the Centers for Disease Control (CDC), we launched our investigation to understand the magnitude, and the effect of the outbreak on the hotel's business and reputation. As a result, McLarens was able to effectively assess the situation and establish the location of the outbreak near the premise within the radius defined in the policy.

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RESULTS

In close coordination with the Insured's Carriers, and Broker, we were able to provide accurate reporting of the facts, navigate through the complexities of this assignment, and negotiate a satisfactory settlement of the claim.

All parties involved were pleased with the expeditious settlement. Benefits that we provided:

- Immediate investigation & expedited fact reporting
- Efficient coverage review, confirmation & necessary correspondence
- Guided the Insured through this extensive and complex investigation process
- Provided clarity/ communications to calm anxiety
- Kept all parties abreast of the Insured's policy language from the onset of the claim by reducing miscommunication
- Successful claim settlement negotiation

OVERVIEW

- A five-star global brand hotel reported a loss of income due to an infectious communicable disease outbreak.
- A massive spike in guest room and conference cancellations occurred resulting in a significant revenue loss.
- The hotel had an insurance policy with coverage for an infectious disease within a certain mile radius.
- McLarens investigated this complex claim and effectively guided the Insured through the entire process, resulting in a satisfactory settlement of the claim.

With ongoing COVID-19 business disruption and anticipated loss of revenue claims, our experts are ready to assist you should you have a need for claims adjustment caused by an infectious virus outbreak. Please report new assignments to: COVID-19@McLarens.com