



The event is only the beginning

Understanding the interactions that shape liability claims

One misconception associated with liability claims is that the incident itself tells you where liability lies. In my experience, that is rarely the case.

A person is injured, machinery fails, a product malfunctions, or property is damaged. The immediate cause may appear obvious, but liability is rarely understood by looking at the event in isolation. The real challenge is to look beyond what happened and understand why it happened, identifying the combination of factors, decisions and interactions that shape the outcome.

There can be a natural tendency to search for a single point of failure. In reality, liability losses are commonly the product of multiple interacting factors. Maintenance practices, operational decisions, contractual arrangements, supervision, communication failures and human actions can all contribute to the outcome. Viewed individually, each may appear insignificant. Together, they can explain how the loss occurred and where responsibility ultimately rests.

Consider a machinery failure. The damaged component may be the obvious focus, but the investigation often extends well beyond the failed part itself. Maintenance history, servicing activities, manufacturer guidance, operator actions, modifications and the involvement of

contractors or suppliers may all be relevant. The key question is not simply what failed, but what circumstances allowed the failure to occur.

The same principle applies across many liability matters. Whether the loss involves construction activities, industrial operations, products, environmental incidents or property damage, the answer is often found in the interaction between people, processes and systems rather than a single triggering event.

Understanding those interactions requires more than identifying physical damage. It requires investigation. Evidence must be preserved, records reviewed, witnesses interviewed and technical findings considered alongside contractual and operational realities.

Frequently, the most important conclusions only emerge when seemingly separate strands of evidence are connected. A maintenance record may take on new significance when considered alongside a witness account; technical findings may need to be understood in the context of contractual responsibilities or operational decisions. The investigation therefore needs to evolve as the evidence develops, rather than follow a predetermined path.

An important part of that process is testing the allegation itself. The circumstances initially presented may suggest an obvious explanation, but the available evidence does not always support it. A thorough investigation examines whether the allegation is consistent with the physical evidence, contemporaneous records and witness accounts, while remaining open to other explanations that may better account for the loss. In many matters, understanding what did not happen can be just as important as understanding what did.

For insurers, this matters. A thorough investigation may identify additional responsible parties, clarify contractual risk allocation, reveal recovery opportunities or support a defense where allegations are not borne out by the evidence. Equally, it can provide confidence to resolve a matter early when liability is clear.

At McLarens, that investigative mindset sits at the heart of our approach to complex claims. Our specialists look beyond the immediate cause of loss, testing different lines of enquiry and bringing together the technical, contractual and human factors that may have influenced the outcome. We work alongside engineers, forensic accountants, technical experts and legal representatives, to build a complete picture and provide insurers with clear, evidence-based findings that support claim strategy, reserve management and recovery decisions.

Across Australia, and with the support of McLarens' global network, our focus remains the same: understanding not only what happened, but why it happened, and delivering practical outcomes for insurers.

In liability claims, the event is often only the beginning. The real answers are usually found in the interactions that came before it.

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 **Profile**

Expertise designed for complex claims

Joel Thornton leads McLarens' Australian Casualty team, bringing together experienced specialists in complex personal injury, product liability and casualty claims.

To learn more about McLarens Casualty services, visit mclarens.com

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