

From loss adjuster to negotiator overnight

In any profession, with years of experience, you gain expertise, knowledge and a certain routine. While this helps in tackling everyday tasks, it can also lead to a certain stereotype, where you feel that nothing can surprise you anymore. This is certainly true for loss adjusters as well. Occasionally, a claim so unique arises amidst the daily grind of handling standard insurance cases that the loss adjuster is forced to find unusual or even unexpected ways to resolve it. Here, we present an intriguing case through the eyes of our liability claims expert, Alena Tomková.



Recently, we handled such a claim in the construction industry. A Czech company was part of a rather complex chain of contractors involved in the construction of warehouses abroad. These warehouses were intended to store products requiring special handling and stringent security measures, particularly to prevent chemical leaks and groundwater contamination. The project was progressing smoothly until it came time to drill holes in the concrete floor for anchoring the storage systems.

Czech dutifulness

It is often said that we Czechs try to make our work easier and find ways around obstacles. However, in this case, a worker of the Czech company went above and beyond, drilling holes in the concrete floor that were approximately three times deeper

than the documentation required. Panic ensued at the construction site. The affected area was vast – the drilling had even damaged a special geomembrane. The project had a strict construction schedule that could not be extended due to state funding, and there could be no doubt that there would be any environmental risk (even potentially in the future). Data was quickly gathered on who was involved and how, to what extent the necessary information was passed on, and who was to supervise and how. Intense efforts were made to find the best repair methods, determine the costs, and most importantly, decide who would bear the expense. Preliminary estimates of the direct and potential consequential damages made it clear that the Czech company's insurance coverage was entirely inadequate.

Initially, communication took place among the various links in the subcontracting chain, their brokers, insurers, lawyers, etc., for several months. Eventually, at the initiative of an insurer of one of the main contractors, it was decided to convene an urgent meeting in Cologne.

The best in their field

We received full trust from the insurance company and authorisation to represent them at this meeting. We quickly arranged transport, accommodation, and dealt with a delayed flight and navigating through Cologne. The night was short, but the meeting the next day was long. Fifteen of us from three countries gathered around the table; I was the only one from CONTIN. I quickly tried to understand who was present and who they represented. Among other things, I had the honour of meeting top European loss adjusters, holders of the ELAE certification from the European FUEDI federation.

Finding a compromise in several languages

Thoughts raced through my mind: if the Czech company was the sole culprit, why would so many people sacrifice their time to sit together when it would be easier to just send an invoice? It quickly became clear that the meeting was about negotiating a way out of this “mess” that would be at least somewhat acceptable to everyone involved. So we negotiated in German, English and Spanish, praying that nothing important would be lost in translation. At the same time, I knew I couldn't commit to anything without the in-

surer's approval. After several hours of negotiation, we reached a conclusion where each party (though no one admitted any responsibility for the damage) was prepared to sacrifice something from their claims or contribute to covering the damage in the interest of resolving the matter. It was also agreed that the Czech company's share of the damage would no longer be the full 100 per cent. After an equally complicated return journey, with another short night, I arrived at work to prepare a detailed final report for the insurance company.

An ongoing story

With that, the matter was closed, I hoped. Subsequently, however, I learned that the insurance company deemed the insured's conduct during the project to be such a gross breach of duty that they decided to reduce the payout, further diminishing the already inadequate coverage. It was then my task to relay this unpleasant news to the other parties involved, one by one. The endless communication cycle began anew, leading to another meeting in Germany, where I again represented the insurance company. This time, twenty-five people were present, all eager to finally resolve the matter. Finding a solution was neither easy nor quick.

In the end, the claimant significantly reduced their damage claims, and three entities agreed to share the costs. At that point, the insurance company displayed generosity by increasing the initially proposed amount they were willing to pay. The situation started to look promising. However, several months of negotiations over the form and content of the settlement agreement followed, during which I once again acted as a mediator between the various entities, presenting opinions, clarifying and explaining, all the while fearing every potential snag. And there were many such moments. The “icing on the cake” was when one German party failed to sign the final version of the settlement agreement within the deadline, so the document had to be updated and signed again by everyone.

A satisfied client

Finally, when you receive confirmation that everything has been resolved successfully, all monetary transfers have been made to the right places on time, you return to your standard daily routine of handling typical cases with relief. The entire process took a year and three-quarters, and the only person who went through it without sleepless nights was the insured,



Alena Tomková, likvidátor senior

who believed that “that's what your insurance company is for, to get you out of trouble.” And so it should be. For CONTIN, it was an honour to have been trusted to represent the insurer in such a challenging negotiation and to contribute to fulfilling its mission of helping clients in difficult and challenging situations. ●

Alena Tomková
Senior Loss Adjuster

