

Fall 2018



The Anchor

FIG Quarterly Newsletter



Communicate

Educate

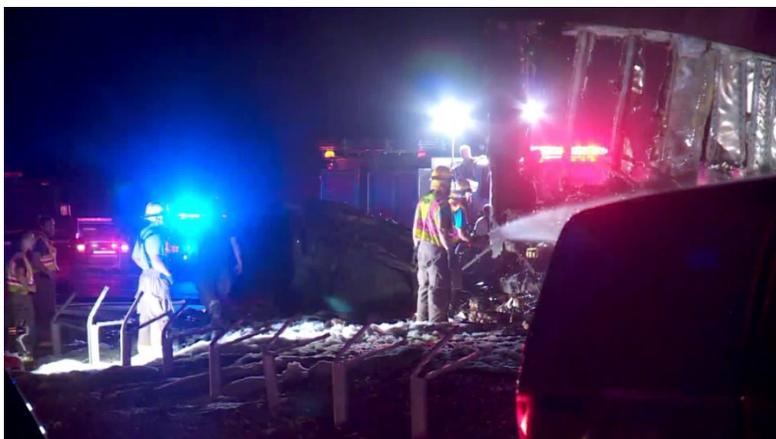


Innovate

Collaborate

This claim for our Assured Plexus Holdco, LLP involves the complete loss of a shipment of assorted cosmetics and nutritional supplies following a collision in Hinton, Oklahoma on July 7, 2018. The shipment originated from Plexus' facility in Scottsdale, AZ and was destined for a distribution facility in Union City, GA. Sadly, the delivering truck suffered a tire blowout, causing the truck to veer to the left, through a cable median divider and into the oncoming lane of travel. The truck struck another truck heading the opposite direction and eventually rolled over onto the mediation. Sadly, the driver of the first truck was thrown from the cab and was killed.

A fire ensued and the truck and contents were completely destroyed. The claim was reported to ProTecht and a surveyor from WK Webster was assigned to investigate the loss and confirm the amount and extent of damages. Following the adjustment of the claim FCU paid the Assured \$268,484.70 net of deductible, and the claim was closed and a recovery file opened. Counsel in New York was assigned, the firm of Maloof, Browne & Eagan, who issued demands to the forwarder, Mainfreight, and the actual carrier QES LLC. Settlement discussions continued between the lawyers and representatives for each carrier for several months.



Normally, a trucking company's liability is limited to a fraction of the cargo value, usually at a rate of .50 cents a pound or similar, and a recovery in excess of 10% of the cargo value is considered to be a good result. This case was different, however. As counsel pressed both carriers and threatened litigation to "break limits" due to the probable faulty maintenance and inspection of the delivering tractor-trailer, both truckers offered to pay the full amount of claim, without knowing the other had made the same offer. Counsel was thus in the unusual situation of having offers for twice the amount Underwriters had paid on the claim, a very unusual event! Unfortunately, the principles of subrogation hold that Underwriters, like insureds, cannot profit on the transaction and can only be made whole, so the offers were reduced in half to 100%, and not 200%, of the claim value. It was a very good day for the lawyer, ProTecht and Underwriters, and greatly exceeded all expectations!

Submitted By: Bob Falvey