

Introduction

This document outlines our approach to claims submitted for the loss of profit from businesses affected as a result of obstruction to the public highway in carrying out works on our water mains using our statutory powers.

The scope of the document does not extend to cover claims made for compensation in the event water supplies are interrupted.

Making a claim

Loss of profit claims are required to be provided in writing by completing the attached claim form and should be sent to insurance.claims@seswater.co.uk

There are three stages to the assessment of each claim:

Stage 1: we will determine whether we are legally liable to pay a claim.

Stage 2: the quantum of loss and the supporting documents the business provides will be assessed to verify the actual loss sustained. This will be a consultation process that will involve our appointed service providers.

Stage 3: settlement and payment of each claim.

Stage 1

On receipt of a claim for loss of profit we will review the claim and our internal records of the works to which the claim relates to determine whether we believe we are legally liable to pay compensation. We may rely upon advice from our appointed third-party solicitors or other service providers.

Each claim will be dealt with on their individual merits and will establish early on what information they would require from both us and the business to ensure an efficient resolution.

During this stage the business must provide to us:

1. Full description of the business including legal structure, address, VAT status and nature of business activities.
2. Provision of a timeline showing the exact date(s) when the alleged damage(s) or interruption(s) occurred in chronological order with full details surrounding the nature of the damage(s) or interruption(s), the period for which they lasted and the impact on the business.
3. The location of works at the time of the loss.
4. A completed Claim Form which can be found here.

The obligation remains with the business to present a fully substantiated claim. Claimed losses that are unsupported by factual evidence will not be considered.

Stage 2

If we accept legal liability our appointed service providers will assess the value of the claim and ensure it is fully substantiated by documentary evidence. Our service providers will discuss with each business the exact documentation required however at a minimum we would expect each business to provide the following:

- A. Financial Statements for the most recent financial year end that corresponds to the date of the interruption including the detailed profit and loss account and for two years preceding this set of financial accounts.
- B. Evidence of weekly sales for the 24 months prior to the loss up to the end of the period of interruption
- C. Monthly management accounts for 24 months pre-dating the interruption and post interruption up to the end of the period of interruption
- D. VAT returns (if VAT registered) for the above period.
- E. Details of what strategies the business has undertaken to minimise its losses showing the steps undertaken to help maintain trade despite any interruption that may have occurred.
- F. A copy of all invoices for any additional costs incurred.
- G. A copy of all invoices for professional fees claimed including a breakdown of all time recorded by activity including narrations.
- H. Any reports from an accountant or a valuer that may have been relied upon in formulating the claim.
- I. Copies of your insurance certificates and policies.
- J. Any other documents reasonably requested by an appointed third party, on behalf of ourselves to enable assessment of the claim.

Stage 3

Once agreement has been reached as to the value of the loss suffered, the business will be required to:

1. Sign a settlement agreement, and
2. Provide us with your banking details.

We will then arrange payment of the agreed loss amount into the named bank account within 4 weeks.

What we will pay

We will pay for the following:

1. The loss of gross profit sustained solely because of the actions for which we are liable.
2. Any additional costs incurred provided they were incurred to reduce the loss of gross profit (we will not pay for any costs incurred above what the loss of gross profit avoided is)
3. We will deduct any savings in expenditure that would have been incurred but for the interruption.
4. The cost of any reasonable professional advice the business incurs. For claims settled under £10,000 these costs are limited to 10% of the value of the settlement. Any excess fees will be borne by you. For claims that are likely to be settled over £10,000 the business must consult with us to set out at the beginning what fees are likely to be incurred and how the advisors intend to charge. These must then be agreed by us.

What we will not pay

We will not pay for the following:

1. Any impact suffered as a result of the diversion of customers to get to a claimant's business or if customers are temporarily unable to park near a business on a street that normally has parking restrictions.
2. Any loss sustained due to causes other than those solely related to the actions for which we are liable.
3. Any loss due to the downturn in the economy, loss of attraction to your business or the area in which it is located, or other unrelated cause.
4. Any loss suffered because the business is unable to secure financing or because you cease business for whatever reason.
5. Any loss recovered under any policy of insurance you have.

Claims Procedures and timeframes

1. Subject to provision of all the relevant information from the business or their representatives to enable us to assess the claim, we will endeavour to meet the following timescales:
2. Upon receipt of a completed claim form and supporting documentation as named above we will inform the claimant of our decision on liability within 6 weeks.
3. If liability is accepted, our third-party claims administrators will carry out a detailed loss of profit assessment in consultation with the business. For most businesses this may take up to two months however this may take longer depending on the size and complexity of the business or claim and how quickly the business responds to our requests for information.
4. Upon settlement of the claim, we will arrange payment within 4 weeks of provision of the signed settlement agreement.
5. If there is any dispute either as to whether we are liable to pay compensation or as to the amount of the claim, there is a procedure under the Water Industry Act 1991 for the parties to refer the dispute to an independent arbitrator to be resolved.

6. We would normally expect a claimant to provide us with the details of at least 3 proposed arbitrators, their CVs, terms of conditions of business, basis of charging and proposed rules of arbitration.
7. We will respond to the request to the appointment of an arbitrator within 4 weeks of receipt from the claimant of details of 3 suitable arbitrators and subject to any conflicts of interests that the selected arbitrator may have been brought to the parties' attention and addressed in a timely manner.
8. Either party may ask Ofwat to appoint an arbitrator if the parties have made reasonable but unsuccessful attempts to appoint an agreed arbitrator (as described in the points above).

For any further information please refer to our *Frequently Ask Questions* or if there are concerns about any proposed or current work in the vicinity of your business please call our Customer Service team on 01737 772000 or email customer.help@seswater.co.uk for more information.

Office hours are 8:30am to 6pm Monday to Friday, although we have a 24-hour service for emergencies, available on the same number. All calls may be recorded or monitored for training and quality purposes.

Other relevant information includes:

- Business Loss of Profit Claim Policy
- Claim Form
- Frequently Ask Questions