SUCCESS STORY

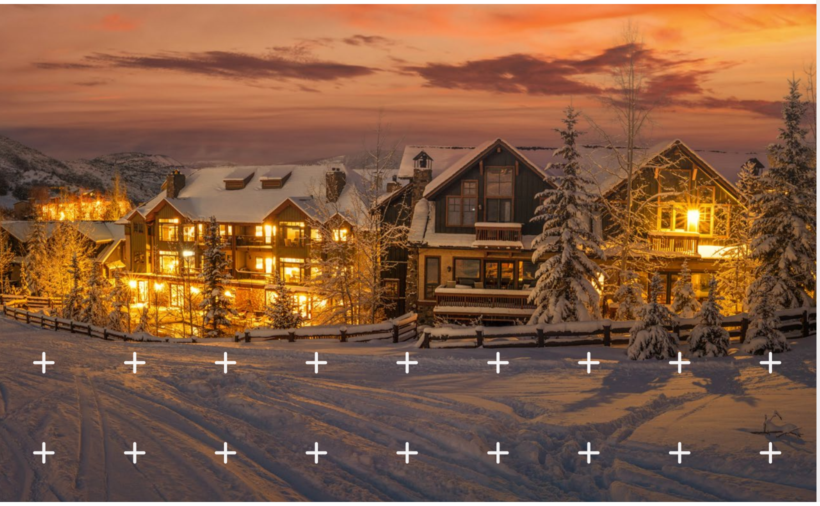
Unlocking Business Interruption Coverage to Restore a Hospitality Revenue Stream

Story Overview

A boutique hotel in Alaska faced a major interruption when a fire shut down its standalone restaurant. The restaurant was a central part of the guest experience, drawing visitors with its dining and unique reindeer farm views. Its closure created immediate financial strain on both the restaurant and the hotel.

Conflict

While property repairs progressed smoothly, business interruption losses became a point of contention. Initial analysis suggested the restaurant's lost revenue would be covered, but the hotel's downturn would not, because it had sustained no physical damage. This interpretation threatened to remove more than a million dollars in recoverable losses and placed pressure on the client during a critical year of rebuilding.



Action and Resolution

Our claims team stepped in to conduct a policy analysis, reviewing how locations were scheduled, how operations were interdependent, and how business interruption coverage applied across the account. We identified language indicating that losses did not need to be tied solely to the physically damaged property. Using this insight, we presented a structured argument demonstrating how the hotel's occupancy decline was directly attributable to the restaurant shutdown.

After further external review, the final decision aligned with IMA's position that the hotel losses were included, adding approximately $1.25 million in recovery for the client. The client publicly expressed their appreciation for the support, collaboration, and expertise that changed the trajectory of their financial outcome.

Key Takeaways

+ Deep expertise in policy interpretation can unlock major recovery opportunities.
+ Interdependent operations require nuanced BI evaluation.
+ Partnering with specialized accounting resources strengthens advocacy.
+ Persistence and clarity can convert initial denials into significant wins.