

## Risk notification: French border closure and Brexit brings fleet operator fire accumulation into focus

Freight congestion at British ports in Kent, East Sussex and Hampshire has highlighted the possibility of fire accumulation. As your broker, we wanted to highlight this risk to you.

### What is the impact?

A recent fire at Dorset Council's Crookhill depot destroyed or heavily damaged 21 vehicles. The loss is a reminder that fires of this nature are a real danger, and with lorries currently stacked up on the M20 in Kent or potentially being placed in holding areas post Brexit.

Now is the time for fleet operators to check their policy wording and limits. Goods in Transit and Marine Cargo policies should also be reviewed.

**If a fleet operator with a £1,000 excess for each-and-every claim lost 10 vehicles in the same fire, the total excess would be £10,000. For any firm, the impact of a multi-vehicle loss on claims experience will inevitably have a serious and detrimental impact on future Motor Fleet premiums.**

### What cover can help?

For vehicle dependent companies, their ability to trade if most of their vehicles were destroyed in a single incident could be seriously affected. In particular, if specialist vehicles or trailers are lost and the replacement time is several months.

Business Interruption Insurance policies invariably contain a 'material damage proviso' clause, meaning that for a claim to be triggered, there must be appropriate material damage cover in place. Operators should check their insurance and if they have Business Interruption insurance, ask if in the event of a claim arising from loss or damage to their vehicles whilst parked up at their premises, providing there is comprehensive Motor Insurance cover in place, then the presence of such cover will satisfy the 'material damage proviso' under the Business Interruption policy. This will still be the case even if the Motor Insurance has been arranged with a different insurer and regardless of any exclusions under their material damage policy relating to motor vehicles.

## What steps can fleet operators take?

- Electrical faults are a key cause of vehicle fires. This points to the need to regularly check and service the vehicle electrical system including the battery. Infrared thermography may be a tool that could help an experienced auto electrician detect faults in electrical circuits that may otherwise go undetected.
- The installation of automatic vehicle fire suppression systems may be an appropriate step, particularly for those operating high value or hard-to-replace vehicles or plant. For hauliers operating trucks with sleeper-cabs, such systems and/or purpose built in-cab smoke alarm systems could also address a significant health and safety risk.
- Fleet operators should take precautions to minimise the risk of an arson attack. Perimeter security needs to be sound. Good lighting is an important deterrent. CCTV installation may be a wise investment. Parking areas need to be kept clear of combustible materials and waste such as pallets, that could be used by an arsonist as fuel.
- Given the aggregate value of a substantial fleet of business dependent commercial vehicles, the installation of video smoke and flame detection systems covering the area where vehicles are parked, linked to a fire alarm monitoring service, may prove a worthwhile investment.
- To lessen the risk of fire spreading between vehicles or from vehicles to premises, a six-metre separation distance may be appropriate, and parking vehicles engine-to-tail, though not always entirely practical. A degree of compartmentalisation within the yard through the construction of appropriate fire-break walls may be necessary, providing vehicles can still manoeuvre. It may even be appropriate to consider spreading the parking up of a fleet of vehicles between more than one location to lessen the fire accumulation risk.

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