



## PACIFIC SOUTHWEST CONTAINER

After a fire severely damaged a major printing press in one of its California facilities, Pacific Southwest Container (PSC) faced the loss of a significant portion of the company's lithography business. One of the largest privately-held packaging companies in the United States, Pacific Southwest Container provides some of the world's biggest brands with packaging making it critical to resolve the claim expeditiously. PSC management knew that its first priority was to its employees and its customers; while at the same time, it was critical to focus on running the business. Hiring The Greenspan Co./Adjusters International allowed them to maintain this priority, rather than trying to navigate the logistics of filing and negotiating a complex property insurance claim on such a large loss.

## KEY ISSUES:

Instead of replacing the damaged printing press with new equipment, their insurance company opted to locate a used replacement press and offered it as compensation under PSC's insurance policy. Replacing the equipment with a used machine would save the insurance company millions of dollars.

In order to resume operations and meet their manufacturing deadlines, PSC moved forward independently and purchased a new press at considerable expense. The insurance company positioned that because PSC bought the press on their own terms, they would not reimburse PSC for the new machinery.

When did the period of business interruption indemnity end?

## RESOLUTIONS

The Greenspan Co./Adjusters International took the position that PSC was entitled to new equipment under the terms of its insurance policy. The used equipment provided by the insurance company would not come with the same warranties and guarantees as the equipment they had at the time of loss. Anything less would not qualify as indemnification.

As a result of the insurance company's delays in replacing the printing press, PSC took the initiative to purchase a new press at their own expense— based on their commitment to put their employees and customers first. The insurance company argued that it wasn't their obligation to reimburse PSC, as the company had chosen to purchase the equipment on its own. The Greenspan Co./Adjusters International and PSC argued that had they

# RESOLUTIONS

waited any longer, inaction would have compromised the stability of the company. Based on these arguments, the insurance company relented and agreed to reimburse PSC for the new printing press.

The insurance company's lack of action unnecessarily extended the period of restoration, creating preventable costs and losses. The carrier conceded additional compensation for added expenses and lost income caused by the insurance company's delay in paying the claim was calculated.

The insurance company argued that the period of restoration ended the day the replacement machine was turned on. The Greenspan Co./Adjusters International countered that the period of restoration ended several weeks later — after the replacement machine was calibrated and was operating as it did immediately before the loss. The carrier ultimately conceded.

## CONCLUSION

The Greenspan Co./Adjusters International team succeeded in securing reimbursement for a new lithographic printing press that allowed Pacific Southwest Container to continue operations. With the forensic analysis provided by the Greenspan/Adjusters team, the insurance company also agreed to compensate PSC for lost revenue and additional expenses caused by its delay in settling the claim. The efforts of The Greenspan Co./Adjusters International resulted in a final payout that more than doubled the size of the insurance company's initial offer.



*"...At once, Paul Migdal and Chris Glenister took over virtually every aspect of our claim-- reviewing our policies, attending meetings with insurance company representatives and quantifying both our actual and potential losses. Their actions allowed us to concentrate on our business rather than the logistics of filing and negotiating an insurance claim... Our losses were quite large and our claims very complex. Naturally, our insurance company minimized the extent of our losses. Without the assistance and guidance of these professionals, we are sure that we would never have received a fair settlement... Having gone through this grueling experience, we are confident that no company should ever attempt to handle their own claim and be without the benefit of expertise of The Greenspan Co./Adjusters International Team. ..."*

**-Les Mangold, Senior Vice President/Chief Financial Officer  
Pacific Southwest Container**