

Wirra Wirra Winery

Case Study

Our Client

Wirra Wirra is one of Australia's most recognised wineries and has earned a reputation of excellence worldwide. Situated in picturesque McLaren Vale, South Australia – one of Australia's most highly regarded wine regions – the vineyard enjoys a distinctive microclimate which enables it to produce high quality, richly complex and long lived wines. Established in 1894, the award winning winery is one of the leading brands in the domestic market and exports to over 25 countries.

When disaster strikes...

In early 2008 Wirra Wirra installed the latest production equipment in order to prepare for the approaching peak period. On March 8th the newly installed fermenters were filled to capacity and their combined weight became too great for the plant, causing it to collapse. This resulted in the loss of the majority of Wirra Wirra's 2008 produce and made ongoing production impossible.

Before:



After:



The Aon Solution

Without insurance, a loss of that magnitude would have been crippling for any wine producer, however Wirra Wirra's insurance company, Zurich, committed to mitigate the loss to property and business interruption. Aon's Client Relationship Manager, Rob Edwards, began work on the case immediately and appointed Luke Stratford from Aon's Risk Accounting division, who was to work exclusively for Wirra Wirra to coordinate the mitigation of the loss.

Aon oversaw the advancement of progress payments to preserve cash flow and undertook negotiations with Zurich regarding settlement of their business interruption loss, including loss of margin and future earning capacity.

Zurich fully endorsed the proposed loss mitigation strategies, which involved having the McLaren Vale wine community process fruit on Wirra Wirra's behalf, and the purchase of additional fruit, in order to maintain production forecasts. A project manager was subsequently appointed to build a new winery, to be completed by vintage 2009.

Aon worked closely with Wirra Wirra and the insurer's representatives to ensure that the new facility embraced 21st century design and the latest technological advances, in keeping with Wirra Wirra's plans for future growth.

We deliver results

Despite experiencing a tremendous loss Wirra Wirra suffered minimal interruption to their business and have returned to pre-disaster production levels. Wirra Wirra's recovery was a direct result of Aon undertaking a finite analysis of their exposure to loss and structuring a tailored insurance program specific to their needs. This has enabled Wirra Wirra to not only recover its losses, but to improve its business processes and retain its position amongst Australia's leading wineries.

Customising our product to your needs

Just as wine-making requires experience, innovation and knowledge to create products with a distinctive bouquet and appeal, insurance for wineries is also a specialist business. Aon recognises that the wine industry faces many unique and specific risks and in response we customise our National Wine Program to meet the individual needs of each wine company.

About Aon

Aon is the leading insurance broker in the world and to the Australian wine industry. Our personal service and extensive experience, combined with our in-depth understanding of the wine industry allows us to offer benchmark coverage of wineries specific insurance needs. This is why 23 out of the top 30 wine companies in Australia have appointed Aon as their insurance risk manager. Whether you are concerned about the management of your exposures to risk, trade credit, business interruption coverage or public liability, Aon can help you maintain peace of mind by working together to find the best solution for your insurance needs.

"Whilst a loss of this magnitude was a huge shock, what took place following the accident was a source of great comfort to Wirra Wirra. Our risk manager Aon and our insurance partner Zurich delivered when we needed it most – a real example of customer service and a true business partnership. Aon enabled us to get on with the task of making great wine, secure in the knowledge that our financial viability and our reputation would not be compromised."



Andrew Kay
Managing Director
Wirra Wirra Vineyards