

Industrial Loss Consulting, Inc.

1322 Broad Street

New Castle, Indiana 47362

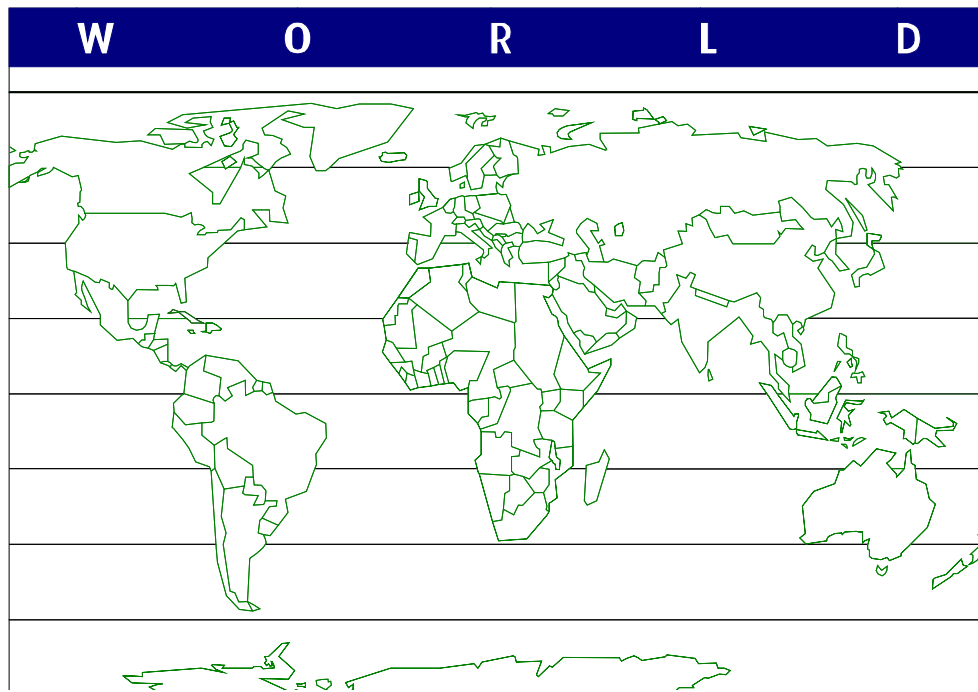


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Web page: www.industrialloss.com



Industrial Loss Consulting, Inc. is available to serve your needs in the area of industrial losses, both for cause and origin, as well as cost evaluation. We have extensive experience in the following areas:

- ◆ General Production Equipment
- ◆ Machine Tool & Machine Shop Equipment
- ◆ Boilers & Heat Exchangers
- ◆ Turbines & Compressors
- ◆ Mining & Sawmill Equipment
- ◆ Heavy Off Road Equipment
- ◆ Computers & Communications Equipment

Company Services

Our company can serve you from the production equipment to the computer stations that track the product through the plant. We can further serve you in the office areas when electronics and communications equipment is involved. Whether a fire, flood, structural collapse, or single unit breakdown, we can provide all aspects of repair, replacement, or fabrication costs, as well as, time line work to evaluate downtime. We have also served extensively as “clerk of the works” for small to large jobs. As with all jobs concerning the repair aspect, we will be able to locate qualified, certified repair shops to provide estimates to substantiate and validate our analysis work.

The personnel of Industrial Loss Consulting, Inc. has been handling equipment losses for the insurance field for 29 years, and has worked losses up to \$56 million for a single claim. Within the United States, we have worked in 42 states. We have also worked in Puerto Rico, Mexico, Europe, Africa, India, Sri Lanka, Canada, Cuba, Guyana and the Virgin Islands. We are well versed in the needs of adjusters involving anything from resolving a single machine claim to handling business interruption problems that involve dealing with contractors, as well as clients.

Midwest Operations

New Castle, Indiana



- **Eugene B. Keith**
CEO / Senior Machinery Consultant
Eugene has 29 years of experience in the following fields of consulting: Machine tool equipment, hydraulics, welding, mining, furnaces, turbines, compressors, mobile equipment and CNC equipment. Eugene also has extensive court and deposition experience.



- **Jeffrey D. Cross**
President / Senior Machinery Consultant
Jeff has 24 years combined Navy and Industrial experience in the fields of consulting, repair, maintenance, machine tool equipment, hydraulics, boilers, water treatment plants, furnaces, generators, turbines, compressors, mobile equipment, refrigeration equipment, and CNC equipment.



- **Gary Finley**
Senior Machinery Consultant
Gary has 29 years experience from work in the U.S. Navy, repair firms and consulting experience. His areas of experience include all types of compressors, metal working equipment, propulsion equipment, pumping equipment, generators, refrigeration equipment, boilers and heat exchangers.



- **Wayne Taylor**
Senior Machinery Consultant
Wayne has over 21 years of experience in servicing and selling industrial equipment including: MRO Supplies, Machine Tools, Compressor Equipment and Machine Tool Repairs.



- **Rodney Eckhoff**
Machinery Consultant

Rodney has 14 years of experience in commercial and industrial property restoration, working with equipment and contents type claims in hospitals, manufacturing facilities, retail facilities, saw mills and food processing plants. Rodney also has 2 years of experience in the equipment/contents consulting field of work.

Our assignments usually include one or all of the following items:

- ◆ Repair Estimates
- ◆ Replacement (Used) Estimates
- ◆ Replacement (New) Estimates
- ◆ Location of repair shops to build from scratch
- ◆ Location of sub-contractors to perform manual labor
- ◆ Product Liability Analysis

With the additional personnel, we look forward to serving your needs more efficiently and in a timely manner in the future. If your office would like additional information, or a face to face meeting with our staff, please call us and we will assist you in any way possible.

Sincerely,

The Staff and Personnel of Industrial Loss Consulting, Inc.





ILC's Online Claims Service

Since developing and introducing this in-house claims service for our clients several years ago, this service has been continually updated to meet the needs of all of those whom have and are currently utilizing this service. What is this service exactly?

The service is geared for desk adjusters and field adjusters who find they have equipment loss claims for which they cannot justify an onsite visit, but could use additional assistance in verification of the claim. Over the years we have found this service to also be beneficial to claim adjusters when they are faced with a submitted claim for completed repairs or purchased replacement equipment. ILC can review these claims for verification of necessity, like kind and quality and for fair and reasonable charges.

Some areas of service we can provide are:

- Replacement Cost
- Actual Cash Value
- Market Value
- Pricing Verification
- Repair Review
- Invoice Review
- Lightning Damage Feasibility

Our reviews have covered many different industries, some of which are:

- Restaurants
- Churches
- Crop Dusting
- Photography
- Medical
- Machine Shops
- Industrial
- Commercial
- Municipality
- Construction
- Laundry
- Printing
- Residential
- Medical
- Traffic Signal

The process to use this service is simple, simply go to our website, www.industrialloss.com, find and click the "**Online Claims Service Request Form**" icon for an overview of our **Online Claims Service** and a link to submit an Online Claims Request. If you prefer, you can fax the information to **765-521-6167** or just give us a call at **800-497-4030**. When the request is received by ILC you will receive an acknowledgment that we have your request and will start our review process. When an assignment is complete, you will receive an email package, which includes our report, copies of supporting documents and our invoice for the service for a fraction of the cost of an onsite visit.

There is no set limit to the number of machines for a claim submitted thru the *Online Claims Service*. The service is geared more to the information available concerning the machines or equipment, not the number of machines. When the details are available and an onsite visit is not necessary to gather the information, the claim is a good candidate for this service. Currently we have completed reviews for claims of a single item to 500 items. By no means does this in any way indicate that this service is only for claims involving obtaining pricing on machines and equipment. We have also been submitted many invoices for a claim for verification of the charges whether it be machine costs or machine repairs.

The amount of time to complete a review varies depending on the number of items pertaining to a claim review. A review pertaining to one or two pieces of equipment can generally be completed within 2 to 3 days. Larger amounts of equipment can take a matter of weeks to complete. ILC's completion times can be affected by the timely fashion vendors can supply the information ILC has requested and needed for completion of our review.

This service is an economically pleasing alternative when an onsite visit to a loss site is not economically feasible or necessary. Generally we find that the majority of our invoices for this service are in the range of \$250 to \$500. These reviews are usually for just a few invoice reviews or a few pieces of equipment for verification.

During the calendar year of 2010 *ILC's Online Claims Service* completed close to 100 different claim reviews. For this one year period the average invoice amount was \$603, with the smallest invoice being \$185 and the largest being \$7,161.

Some of the insurance companies that have used this service are:

- Travelers
- The Hartford
- Zurich
- Liberty Mutual
- State Auto
- Farm Bureau
- Erie Insurance
- Harleysville

ILC has created sanitized sample files of some of our actual reviews. To allow you to view completed email packages for different types of online claims that ILC has helped adjusters with during the past few years, we have set up a file share account which allows you to view or print sample jobs. You will also find a coupon for **\$100** off your first Online Claims Assignment submitted to Industrial Loss Consulting, Inc.

Below is a username and password along with a link to the file share account:

Username: *samplejobs*

Password: *N3xebeT*

Link to Site: <ftp://ilcftp.com>

Please keep in mind that this information is case sensitive. And for ease of viewing, after logging in, under the "View" tab, choose "Open FTP Site in Windows Explorer". If you have any trouble opening any document, you can simply copy the document to your computer for viewing at anytime.

We are very excited about this service and hope that you will take advantage of it soon.

Remember, we are just a click or call away!

When you don't need an onsite visit, but could use a helping hand

ILC Appraisal Services, Inc.

This is a company formed to provide a service to the insurance industry. We offer on-site inspections of equipment for cost evaluation purposes. In this day and age when equipment becomes more and more expensive and the exposure to large business interruption costs are rising, it has become very important to not only understand the value of the equipment you are covering but also be aware of the condition the customer keeps the equipment in and what special risks unique equipment expose you to.

This is a day and age when obsolescence and modernization are occurring at a rapid pace. It is hard to keep up with all of the types of equipment a customer may have or problems that may occur when the customer has to replace obsolete equipment.

With our years of experience as machinery technicians and with the loss industry, we not only understand the equipment and problems the customer faces when he suffers a loss, but, we also understand what effects that will have on the other end when a loss occurs.

Our appraisal service offers three different levels of appraisal to meet your needs. Each level of appraisal progressively offers you more detailed levels of information. You can choose what type of appraisal you need based on the level of exposure the customer places on you.

- I. **Full On-Site Inspection** of major equipment and tooling to be included in the policy. This would also include materials handling equipment. This type of evaluation would be the most accurate and could also include current conditions of major equipment as well as the projected costs to correct existing deficiencies. This would then serve as a record if or when a loss occurs and any one of the major items were involved.
- II. **Partial Inspection to Include Only Major Equipment**, tooling and mobile equipment. This would help get an accurate appraisal of the biggest dollar items in the structure and allow a rough estimate of the remaining items to keep the total policy value within an acceptable tolerance.
- III. **Asset Listing Appraisal** could be done for medium and smaller facilities or even larger ones where they have a good up-to-date listing of all of the equipment. This would save the cost of the on-site inspection and still give you an excellent appraisal of the facility to set up a properly valued policy. The only things this would eliminate are our ability to determine the current condition of the equipment and list minor equipment.

Pricing on each project for hourly rates will be as follows:

Machinery Consultant	\$145.00/Hour
Research Assistant	\$ 90.00/Hour

Once we have had sufficient time on the project, we will provide a consulting estimate for the total project for budgetary purposes. At that point, you can refine what work you want done and at what level of detail.

Based on our parent companies experience with insurance losses, we feel this service will give you many benefits:

- Accurate assessment of equipment in the facility;
- Condition of equipment and plant maintenance overview;
- Exposure to specialty equipment that could affect business interruption costs;
- Good detail of property values for use if or when loss situations occur.

If you would like to receive additional information or have questions concerning this service, please contact us at **1-765-521-0648**.

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2011 Company Rate Structure

The following rate structure will go into effect on April 1, 2011, for all work performed on or after that date.

Stateside

* Machinery Consultant	\$150.00 / Hour
* Consultant Travel Rate	\$75.00 / Hour
* Clerk of Works/Site Manager	\$90.00 / Hour
* Research Assistant	\$90.00 / Hour
* Per Diem	\$50.00 / Day
* Mileage allowance	.50 / Mile
* Expenses (I.E. Rental Cars, Hotel, Airfare)	Cost

Online Claims Service

* Research Rate	\$90.00 / Hour
* Administrative	\$55.00 / Hour

Administrative

* Data Entry / Secretarial	\$55.00 / Hour
* Subcontract Labor for outside specialty services	Cost
* B/W Copying Expense	.10 / Copy
* Color Copying Expense	.69 /Copy
* Shipping Expense	Cost

Special Projects

* Edited Video Tape of Loss Scene	\$400.00
* Additional copies of Video Tape	\$20.00

“Rate Structure Continued”

International

- * **Consulting & Research** **\$200.00 / Hour**
- * **Per Diem** **\$100.00 / Day**
- * **Expenses (I.E. Rental Cars, Hotel, Airfare)** **Cost**

High Risk Areas International

- * **Consulting & Research** **\$2,500.00 / Day Portal to Portal**
- * **All other charges same as International**

Legal Work

- * **Depositions** **Minimum \$1,000.00 / Day + Expenses**
Each additional hour over 6 hours @ \$175.00 / Hour
- * **Expert Witness / Court** **\$2,000.00 / Day + Expenses**

Receipts will be provided for all expenses in excess of \$100.00, or as requested by the client.