
Industrial Loss Consultants Case Study 3 March 2016

Aluminum Extrusion Plant - N.E. PA September 9, 2011, Hurricane Irene and Tropical Storm Lee related Flood Event



ILC Consulting Service Assignment:

- Complete Inventory of all M&E contents of the facility.
- Create Photographic record of facility and impacted M&E contents.
- Work with various departments and individuals to assist the insured with their recovery project.
- Create an initial project budget reserve for the insured's recovery efforts.
- Work with multiple tiers of coverage machinery and equipment content experts.
- Refine project budget recovery costs as insured moves towards operational status.
- Track insured's incurred Replacement and Repair Costs as recovery project progressed.
- Work with Salvage Companies to dispose of replaced equipment and help to minimize insurance exposure.
- Attend various adjustment meetings with insured and insurance company team members.
- Hold regularly scheduled status update meetings with plant management team.

ILC Findings:

- The USGS predicted flood water levels within the facility of approximately 2', by the time the flood event concluded and the flood waters were receding the high water mark throughout the plant was approximately 6'. The insured received advanced warning of the pending flood event and worked diligently during that time to move motors, controls and electronics above the predicted 2' flood levels.
- A massive cleanup project was undertaken by the insured's employees as well as outside restoration contractors, and vendors. ILC was asked to monitor the progress of the recovery efforts and to provide status update reports to the insurance company.
- With the approval of the insurance company; ILC performed Clerk of the Works and the insured came to depend upon ILC as their main point of contact at the loss site for review and comment on damaged M&E.
- To minimize the insured's downtime, M&E recovery was prioritized according to machinery and department.

Summary:

- Written report(s) of ILC's findings and the insured's recovery progress were provided to the client on a regular basis throughout the first phase of the recovery project (ILC was on-site throughout this phase a majority of that time (2 – 3 months).
- During the next phase on-site time was reduced and a weekly progress phone call was held with plant management and other insurance parties (3 – 4 months).
- The final phase of the recovery project in which ILC was involved revolved around the design, approval and procurement of a customized robotic cutting and machining center. ILC was additionally engaged in several adjustment meetings with the insurance company along with the insured's personnel.
- In summary, time savings was a significant factor in helping to control Extra Expenses as well as Business Interruption costs. Although this was a large multi-million dollar loss, it went smoothly throughout the recovery project due in large part to the relationship ILC was able to forge with the insured and their plant personnel.

To request an Onsite Machinery Inspection:

1. Telephone: 800-497-4030
2. Email: contact@industrialloss.com

