

PROJECT RECAP



MECHANICAL FAILURE

CNC MACHINE

Restore vs. Replace saved our client \$616,000. A true WIN/WIN for everyone involved!

ASSIGNMENT:

Machinery experts from Industrial Loss Consultants were called upon to evaluate damages to a CNC machine at a concrete batch plant following an alleged mechanical failure. The ILC Consultant conducted a thorough inspection to determine the feasibility of restoring the machine to its pre-loss condition. If restoration was possible, a detailed analysis would be carried out to assess the scope of work needed, the associated costs, and the estimated timeframe for completion. ILC would also provide a comprehensive assessment of the Replacement Cost Value (RCV), and Actual Cash Value (ACV) of the damaged equipment, ensuring an accurate valuation process.



SUBMIT AN ASSIGNMENT:

www.industrialloss.com
(800) 497-4030

INSPECTION:

- ✓ ILC outlined and followed a thorough examination process to determine whether the damaged machine could be restored to pre-loss condition.
- ✓ The inspection discovery identified a damaged spindle within the machine.
- ✓ Motivated by the \$750,000 replacement quote received by the insured, ILC was confident that steps could be taken to return the machine to pre-loss condition.

RESULTS:

- The investigation conducted by ILC identified that the defect in the machine was caused by operator error and not a failure internally in the machine.
- ILC's assessment concluded that restoration of the machine to pre-loss condition was possible.
- After conducting an extensive qualification process to locate the most experienced vendor able to restore the machine to pre-loss condition, the results were full repair cost of \$134,000 compared to the replacement quote of \$750,000 supplied by the insured, **reducing the claim about by \$616,000. A true WIN/WIN for everyone involved.**