

PROJECT RECAP



WATER DAMAGE

CHEMICAL FEED WATER LINE

- **Damages Claimed by Insured: \$1,635,873.55**
- **ILC Estimated Repair Costs: \$11,262.50**

ASSIGNMENT:

Industrial Loss Consultants was tasked with assessing the damage caused by a failure in a chemical feed water line attached to a condenser water system. This failure resulted in water being released into the mechanical room. The water flowed for approximately an hour, until the system's pump was shut off by the insured's contractor. The insured reported damage to multiple pieces of equipment, including:

- Electrical switchgear
- Chiller
- Boiler
- Two air handlers (*which failed two weeks post-incident*)

During ILC's first site visit, it was discovered that the chiller and air-handling coils had been removed and placed in a shipping container with limited accessibility. In addition, at a subsequent inspection which did not involve ILC, the boiler was removed. ILC was not informed of these items being removed before arriving on site.

SCOPE:



ILC conducted a comprehensive inspection of the mechanical systems and determined which items were damaged as a result of the loss and which items were superfluously added by the public adjuster.



ILC provided and estimated repair cost for only the equipment damaged by the loss.



Reconciled repair costs with the insured's submission.



SUBMIT AN ASSIGNMENT:

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Corrosion to the air handling coil connections, which is not a result of the water line failure.

SOLUTIONS:



The insured provided invoices suggesting that the chiller, air handlers, and boiler were damaged beyond repair due to the incident.

However, based on ILC's assessment, these items were not damaged by the failed chemical treatment line and the resulting water release.



Water was found within the chiller's refrigerant lines. Testing indicated that the water was certainly not the result of the failed chemical treatment line and the result of a secondary loss.

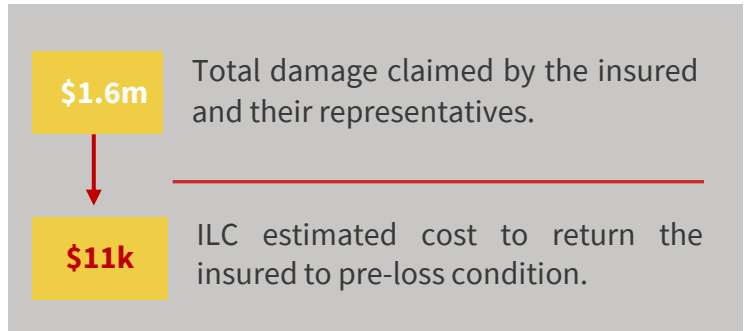
Leveraging ILC's identification and documentation of pre-existing conditions, **the repair costs for actual damage estimated at only \$11,262 vs. the Insured's claimed damages of \$1,635,873!**



CONCLUSION:

ILC's professional opinion, supported by visual inspections and assessments, is that the chiller, air handlers, and boiler were not damaged by the chemical treatment line failure. The damage observed and estimated by ILC is significantly lower than the amount claimed by the insured. This discrepancy highlights the importance of thorough and independent damage assessments in insurance claims.

RESULTS:



Damages Claimed by Insured:

- Three air handlers, including a rooftop unit
- Boiler
- Chiller
- Five pumps and motors
- Two hot water heaters
- Electrical switchgear
- Variable frequency drives
- Ductwork and piping insulation
- Two fans

Actual Damage Identified by ILC:

- Three pump motors
- Failed chemical treatment line



Water coming out of the refrigerant line valve for the chiller.