



Electronic Loss Consulting
with 50 Plus Years Experience



- **Nationwide On-Site Inspections**
- **Damage / Contamination Assessment**
- **Power Surge vs. Lightning Verification**
- **In-House Electronic Equipment Testing**
- **Data Recovery/Virus Removal**
- **XPRT Technical Support Hotline**
- **Equipment Repair/Replacement Analysis**
- **Electronic Restoration & Salvage**
- **Expert Witness & Litigation Support**
- **Arbitrator / Umpire for Arbitration**

Experts in All Types of Losses & Equipment

Power Surge, Lightning, Fire, Smoke, Water, Theft, Virus Claims...
Telecommunications, Medical, Manufacturing, Computers, Software/Data...

1.877.TechLoss • 1.877.832.4567 • Fax: 847.541.2325

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Expect More. Your Own Personal ElectronicLoss Specialist™

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Company Overview

Offering a comprehensive line of innovative services, TechLoss Consulting & Restoration, LLC is continuing to lead the way by helping large and small companies make more efficient, sound and accurate decisions on losses that involve all types of electronic equipment.

Today, TechLoss is equipped with a national 24/7 full-time staff of degreed engineers and technicians, along with marketing, business development, administrative and customer service departments. Growing out of two core industries, TechLoss has evolved into specialty core operating groups which include: Electronic Loss Consulting, Restoration, Data Loss Management and Salvage. Locally and nationwide – TechLoss is there for you!

Mission Statement

Our mission at TechLoss Consulting & Restoration, LLC is to be the recognized leader in providing top-quality consulting and restoration solutions to the insurance and legal communities, while maintaining the highest degree of accuracy and the fastest turnaround possible.

In order to provide outstanding value and innovative consulting solutions to our clients, we are committed to continuous improvement and to promoting an environment that attracts, challenges and develops talented individuals, and allows them to dedicate their efforts to the needs of our clients.

Consulting Services

At TechLoss Consulting & Restoration, LLC, our hands-on, roll-up-your-sleeves work ethic allows our engineers to provide you with information needed to resolve your claims that involve electronic equipment. Our experience covers every conceivable scenario of electronic loss: lightning losses, power surge, water contamination, smoke contamination, fire extinguisher residue, wind blown glass due to natural disaster, high humidity, vandalism, transit damage, flooding, software losses, hackers, data corruption and dozens of other scenarios over our 14 year history. We've seen and done it all!

Adjusters will encounter a wide variety of situations when handling electronic equipment losses. TechLoss understands this and provides a comprehensive list of services to assist you with these losses. The following is a brief synopsis of our most popular services. Need something you don't see? Just ask. 1-877-TECHLOSS (1-877-832-4567) www.techloss.com

Nationwide On-site Inspections - Armed with the knowledge only a degree in engineering can provide, our engineers will travel to the loss site and inspect, inventory and document all loss-related electronic equipment. Without bias, we will then recommend the most effective solutions for returning all involved equipment to a pre-loss condition. All findings will be documented in a written report to meet your needs.

Lightning/Power Surge Verification - By utilizing the National Lightning Detection Network, TechLoss will determine if there was a cloud-to-ground strike near the insured's facility on the date of loss. We also contact local weather reporting stations and electric utilities in an effort to substantiate lightning activity on the date of loss. By piecing this information together, we construct a clear picture of the lightning activity or non-activity near the loss site on the date in question. We can also identify the distinguishing characteristics that determine if a power surge was the cause of a loss.

In-House Electronic Testing – TechLoss is fully equipped to handle the testing of all types of electronic equipment in-house. We guarantee all equipment will be evaluated within 24 hours of receipt. A preliminary report of findings, damage verification, reparability options and causation information will be provided quickly, accurately, and cost-effectively.

Telephone Consultation - Not every loss is of the scope or magnitude requiring an engineer to travel on site. For these circumstances, our work can also be done via telephone. We will comprehensively coordinate and oversee actions being taken by the insured's vendors or licensed third party vendors to ensure that the equipment is being returned to a pre-loss condition quickly and cost-effectively. We provide options where none existed before.

Repair/Replacement/Restoration Coordination - Once damages and repairs have been verified and coverage is confirmed, our skilled engineers will identify vendors capable of repairing or replacing the involved equipment. We will identify costs, communicate with the insured and their experts and oversee the entire repair process to ensure a quick return of equipment to a pre-loss condition. To accommodate our customers further, we also have the ability to comprehensively restore electronic equipment either at our facility or on-site, as needed.

Expert Witness Testimony - All TechLoss engineers are fully degreed and capable of testifying as experts at trials, administrative hearings and at different levels of the judicial system. Our entire file is fully documented from the time the job is accepted (including conversation notes, e-mails, reports, etc.) Our staff can also serve as technical liaisons for lawyers and other non-technical personnel.

Subrogation Analysis - Files are reviewed routinely to determine if subrogation potential exists. In these scenarios, our engineers will document the loss circumstances and oversee the technical portion of the file. Often this will involve interfacing with the insured's vendors and reviewing pre-existing work orders and invoices.

Invoice Analysis - Often the insured will take actions to resolve a claim without the knowledge or guidance of an adjuster. When this happens, we can review the invoices submitted to determine if actions taken were reasonable and cost effective, and identify if betterments were made. After reviewing the information, TechLoss will provide a written report detailing our findings. All reports include source information such as names and telephone numbers. If instructed, we will also provide other options for returning the damaged equipment to a pre-loss condition.

Causation - TechLoss can identify how a loss occurred and determine factors such as whether a power surge occurred on or off the premises. Our research will also differentiate normal wear and tear from loss related issues. This information is critical in determining if the loss circumstance corresponds with damages sustained.

Warranty/Maintenance Agreement Reinstatement - Service or maintenance contract providers often cancel warranty or maintenance agreements following a loss. When this happens, TechLoss steps in and works with the service provider to reinstate the contract or sources another provider. If a new provider is located, we will ensure the new provider's service to be identical to the previous contract and that the transition will be transparent to the claimant.

Data Services

Data/Virus Removal - One way to ensure that your information doesn't leave with your old equipment is to have TechLoss Consulting & Restoration, LLC permanently destroy it. With so many old computers being resold on the market today, it is important to know that even the data that is deleted from a drive can easily be recovered. Confidential documents, credit card numbers, passwords, e-mails and more are at risk. Another way a data loss is incurred can be through a malicious virus. When this happens, the victim's computer is often hijacked and their information may be at risk. Our specialist can identify many viruses and worms and properly remove them from an involved machine, allowing for its continued use and the protection of data. Data deletions are performed per the DOD (Department of Defense) specifications.

Data Recovery - Data and custom programming can cost thousands of dollars to recreate when manually attempted. Following a loss, TechLoss will use state-of-the-art equipment to evaluate data storage devices, such as magnetic tapes and hard drives, to identify if data is recoverable. When it is available, we can quickly extract the data to any form of media for use by forensic accounts, investigators or the insured.

Restoration & Salvage *Services*

Restoration - Did you know that research shows 80% of all electronic equipment contaminated by smoke or water can be successfully returned to a pre-loss condition via restoration? It's true. That means that if you revisit your closed files, and you've replaced electronic equipment (with smoke or water contamination) more than 20% of the time, you're probably paying your insureds more than you should.

We understand that most adjusters don't have a technical background, and with TechLoss at your service, you don't need one. At TechLoss, we specialize in mitigating electronic equipment losses. We effectively accomplish this by providing damage control and returning the involved equipment to a pre-loss condition using a number of different avenues. Restoration is just one of them.

We have developed procedures for the sole purpose of restoring hi-tech electronics and have state-of-the-art cleaning facilities that are equipped with tech benches, compressed air, central vacuuming systems, de-ionized water, spray booths and drying ovens. We are also affiliated with top rated labs that can expedite wipe samples and other results when the situation demands.

TechLoss has been involved in the restoration of virtually every possible type of electronic in existence. Some of the most frequently handled assignments involve computers, telephone systems, networking equipment, electrical bus ducts, industrial machinery, HVAC systems and home audio entertainment systems.

Some of our high profile jobs include the comprehensive restoration of all the electronics at the Pontchartrain Center in Kenner, Louisiana; the Kenner Planetarium and Megadome Cinema; Swank Motion Pictures; Cellular One, the Catholic Archdiocese in Chicago; Chicago Center for Performing Arts; TGI Friday's; as well as many high schools and universities including Niles North High School, the research and development labs at Northwestern University, Purdue University's Communication Center as well as the Bio/Psych Building and the Chemistry Building at the University of Chicago – just to name a few.

Up front, written job quotes are our way of doing business. This ensures there are no surprises. Your written authorization gives our restoration professionals the green light to start work, and all parties involved are in agreement as to job scope, fee structure and payment schedule. Detailed billing statements are created for each new project, and are formatted and prepared for potential audits that regularly arise with major losses. Custom requests can be honored – just ask us.

Electronic Equipment Salvage - Often overlooked as an option, salvage can be the single greatest factor for reducing your exposure on a file. All equipment you have replaced for an insured should be considered for salvage. Almost all equipment will have some value. Some equipment will retain a great value. How can you tell the difference? TechLoss Consultants, Inc. has significant experience working with all types of equipment from computers to medical equipment and everything in between. Our degreed engineers have their fingers on the pulse of today's technical marketplace and will secure the most competitive bids available.



Schedule of Fees

In-House & On-Site Consulting (Non-Legal Projects)	\$140.00 per hour*
Consulting - Appraisal	\$140.00 per hour*
Consulting - Legal	\$200.00 per hour*
Restoration - General Labor	\$55.00 per hour*
Restoration - Technician	\$85.00 per hour*
Restoration - Lead Technician	\$105.00 per hour*
Restoration - Project Manager	\$125.00 per hour*
Administrative	\$60.00 per hour*
Lightning Verification Report	\$95.00 per 72 hour Report
On-Site Work / Inspections	Portal to Portal**
Mileage (IR- 2009-111)	\$.50 per mile
Digital Photos	\$2.00 per Printed Picture \$10.00 per Photo CD
Scientific Smoke Sample Analysis	- varies per sample -
Spot Chloride and Sulfate Tests	\$10.00 per Strip
Expense Upcharge	Cost + 15%
Finance Charge/Late Fee	1.5% per Month
Salvage (% of recovery)	20% - up to \$5,000.00** 15% - \$5,000.00 to \$50,000.00** 10% - above \$50,000.00**
Data Services	Time + Materials***
Secured Equipment Storage	\$3.50 per sq. ft.

* Straight Time - 8:30am-5:00pm Monday through Friday

* One and One Half Time - Monday through Friday outside of straight time hours plus Saturday hours

* Double Time - Sunday hours

* Two and One Half Time - Holiday hours

** plus expenses

*** project manager will quote

Rates Effective Date: January 1, 2010

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Restoration Solutions

***When Electronic Restoration is an option,
TechLoss gives you choices.***

Need total project management, repairs, or just restoration?

You have a choice of three customized restoration options that fit your needs!

Standard Technical Restoration Services:

- Travel to loss location to determine if the equipment is restorable and provide estimate for the decontamination process.
- While on-site, create inventory of all equipment being removed.
- Photograph any physical damages that are present and note these on our inventory sheet prior to leaving the premises.
- Compare equipment being loaded to the inventory to ensure all items are received.
- Provide a written proposal for costs of restoration and provide timeline on when project is expected to be complete.
- Immediate start of the decontamination process once approval is received and documents are signed.
- Power-on test of each piece of equipment prior to items being returned.
- Documentation of any items found to be damaged as a result of the loss in order to inform you of this and discuss the desired route to proceed.
- Quality check by supervisor and manager before the items are packaged for delivery.
- Packaging of most items with anti-static materials to prevent damage on equipment both physically and electronically.
- Redundant inventory of the equipment following decontamination in order to ensure that all items are returned.
- Delivery of the equipment upon completion of the restoration process.
- Delivery to a temporary location if the loss location is still under construction for whatever circumstance.
- Storage of the equipment in a temperature controlled environment for up to 30 days after the restoration process is complete.
- Additional storage may be arranged at an added cost to be mutually determined.

Additional Technical Restoration Services:

- Disposal of items not restored or non functional at client's request.
- Like-kind and quality replacement costs on all non-repairable items.
- De-installation and installation of all equipment at client's request.
- Repair of non-functioning items that are repairable, by authorized service center, at client's request.
- Re-certification or calibration of items at client's request.
- Testing of all restored items for full functionality by TechLoss or an authorized service center.
- A summary report addressing all items cleaned and items that cannot be repaired, with like-kind-and-quality replacement cost recommendations for the non-repairable items.
- All above services will be performed on a time and material basis.

Billing Methods:

1. **Billing Method 1:** Project will be billed as a project proposal and all expenses will be included. Typically used on large commercial scale projects.
2. **Billing Method 2:** Work is billed hourly. Additional charges will be applied for chemicals, equipment, and supplies. Any expenses will be paid by TechLoss with a 15% mark-up.
3. **Billing Method 3:** Items will be charged at a flat rate per piece. Pick-up and delivery of items is not included and will be invoiced separately. Price sheet available upon request. Prices are subject to change if item is not a standard residential item. Typically used on smaller residential projects.

Included With All Restoration Projects:

- Option to have a free estimate, prior to removal of equipment.
- A more detailed, written quote prior to restoration of equipment.
- Handling of all logistics related to pickup and delivery of equipment being restored.



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Salvage Solutions

***The claim is done, the file is closed...
Now what will you do with the equipment?***

Don't lose out on potential savings!

Let TechLoss help maximize your Recovery Dollars on Electronics

Electronic Equipment Salvage

- Project management
- Coordination for repair/restoration of equipment to maximize recovery
- Off-site work
- Coordination of shipping
- Documentation
- In-house testing & repair capabilities
- Resource for latest technologies and trends in the resale marketplace
- Extensive portfolio of contacts in all types of industries
- Resource for latest technologies and trends in the resale marketplace



Experts in Salvage of All Types of High-Tech Equipment

- Telecommunications, Computers, Networking
- Medical, Manufacturing, Industrial, Audio/Visual



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Consulting Solutions

***The loss has occurred, the clock is ticking...
Now what about the electronic portion of the claim?***

Let TechLoss help verify the damages and make sure the proper steps are being taken to return all loss related electronic equipment to a pre-loss condition.

Electronic Loss Consulting

- Nationwide On-site Inspections
- Lightning/Power Surge Verification
- In-House Electronic Testing
- Causation
- Telephone Consultation
- Repair/Replacement/Restoration Coordination
- Expert Witness Testimony
- Data/Virus Removal
- Subrogation Analysis
- Invoice Analysis
- Warranty/Maintenance Agreement Reinstatement



Experts in Consulting for All Types of High-Tech Equipment

- Telecommunications, Computers, Networking
- Medical, X-ray, Laser
- Manufacturing, Industrial Automation
- Home Automation, Audio/Visual



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E-mail: Newproj@TechLoss.com

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Project Initialization Form

CLIENT INFORMATION: (independent adjusters please list carrier contact)

Company: _____
Primary Contact: _____
Secondary Contact: _____
Address: _____
City/State: _____
Zip Code: _____
Telephone: _____
Fax Number: _____
E-Mail: _____

INSURED INFORMATION:

Company: _____
Primary Contact: _____
Secondary Contact: _____
Address: _____
City/State: _____
Zip Code: _____
Telephone: _____
Alt. Phone: _____
E-Mail: _____

LOSS INFORMATION:

Claim Number: _____
Date of Loss: _____
Estimated Claim Amount: _____

Why did you choose TechLoss? (Please check & specify)

Preferred Vendor Conf./Seminar Referral
Print Ad/Web Site Direct Mailer Other
Specify: _____

Loss Type: (Please check all that apply)

Lightning Power Surge Fire Smoke Water Theft Impact Virus
Liability Natural Disaster Other _____

Actions Required: (Please check all that apply and indicate any special needs such as 35mm pictures or bound copies of reports)

ACV: Actual Cash Value Expert Witness On-Site Inspection Reparability
Causation In-House Testing Project Management Restoration
Coordinate Repairs Invoice Review RCV: Replacement Cash Value Salvage
Damage Verification Lightning Verification Recertified Replacement Cost Subrogation
Data Retrieval LKQ Verification Surge Type: Lightning vs. Utility _____

Predominate Equipment: (Please check all that apply)

Alarm Computers HVAC Manufacturing Medical Office Phone System
Point of Sale Residential Transmission Well Pump Other _____

Loss Description:

*** Please include any supporting documentation and/or invoices with this form ***

For Office Use: Date Received: ___/___/___ Time: ___:___ Engineer: _____ Job #: ___-___-___-___-___



Date

Sample Company
123 Anywhere Street
New York, NY 10001

Attention: Client Name

Reference:	Project Assessment Report
Claim #:	123-456789
TechLoss File:	C-XX-XX-XXXX-C
Insured:	XX Company
Loss Type:	Cut Wire
DOL:	Date

INITIAL RESPONSE:

On Date, at XX A.M., TechLoss Consulting & Restoration, LLC (TechLoss) received the above-referenced project involving XX Company. TechLoss then made contact with Mr. XX with XX Company at 123-456-7890 on Date, at XX A.M informing him that we were retained by his insurance company, Sample Company, to assist with the resolution of the electronic portion of this claim.

OBJECTIVES:

Our objectives were as follow:

- Review the replacement quotes.
- Determine the repairability of the damaged items.

INVESTIGATION PROCESS & FINDINGS:

TechLoss began its investigation by reviewing the submitted quotation for the work to be performed by XX Vendor. Based on our review of the XX Vendor proposal, TechLoss found the labor and materials proposed were not appropriate for the level of damages described to us. This proposal included replacing 1,500 total feet of cable in an underground area spanning 50 feet, along with labor for multiple employees working on multiple days.

Midwest Office (Corp. HQ)

TechLoss Consulting & Restoration, LLC
1613 W. Algonquin Rd.
Mt. Prospect, IL 60056

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East Coast Office

TechLoss Consulting & Restoration, LLC
PO Box 771453
Coral Springs, FL 33077

Based on our discussions with XX of XX Specialist, these rail signal cables can definitely be repaired. This method of repair can involve either a butt splice or an end splice, pending the exact damages. Mr. XX verified all specifications of the damaged wire with TechLoss and informed us he would provide a quote for materials, along with a labor quote, for a basic splice of this specification.

On Date, TechLoss received this quote for \$119.23 in materials along with labor at a rate of \$640.00 per day. Any travel expenses along with further expenses incurred for materials would also be added to the total cost of the project.

RECOMMENDATIONS:

Our recommendations, per each objective, are as follow:

- Review the replacement quotes.
 - Based on the gathered information and the scope of work originally described to us, TechLoss recommends the equipment involved in the loss can be repaired instead of replaced.
- Determine the repairability of the damaged items.
 - Underground railroad signal cable consists of individually insulated copper wires, bunched together as a larger, insulated cable. Since this cable relies on plain copper as its transfer medium, it is regularly spliced. TechLoss recommends that replacement of these cables is unnecessary and generates further replacements of unaffected components, such as welded rail bonds, along with extra labor.

Upon receiving this project, the initial claim amount was \$36,100.01. Based on the expenses associated with this cost and our current understanding of the damages incurred, TechLoss recommends XX Specialist can instead repair the damaged rail signal cable for a cost of \$759.23 plus additional unknown expenses.

If you have any questions, comments or additional requests regarding this project please contact me at XX Ext. XX or via email at XX@techloss.com. Thank you for using TechLoss Consulting & Restoration, LLC.

Sincerely,

XX
Consulting Engineer



Date

Sample Company
123 Anywhere Street
New York, NY 10001

Attention: Client Name

Reference:	On-Site Report
Claim #:	123-456789
TechLoss File:	C-XX-XX-XXXX-C
Insured:	XX Residence
Loss Type:	Lightning vs. Power Surge
DOL:	Date

OBJECTIVES:

Our objectives prior to our on-site inspection were as follow:

- Perform an on-site inspection in order to verify damages.
- Determine if the damages resulted from a lightning induced or utility induced power surge.

ON-SITE PROCESS & FINDINGS:

TechLoss began its investigation by traveling to the insured's location at XX on Date. We met with the insured, XX, and his two electricians, XX and XX, both from Sample Company. Mr. XX proceeded to explain all of the damages he had found along with the corrective actions he had employed to return the electrical system to its pre-loss state.

Mr. XX explained that he went through the entire house and removed every receptacle and switch in order to check for damages and test the wiring. He also checked the circuit breaker panels and any large electrical items such as the sump pump.

From his evaluations, Mr. XX found multiple receptacles with plugs welded inside along with many switches that had been damaged to a point of losing their mechanical integrity. He found the main buss or circuit breaker panel had burn marks and melted wiring. Mr. XX also found the sump pump had a locked rotor, requiring replacement.

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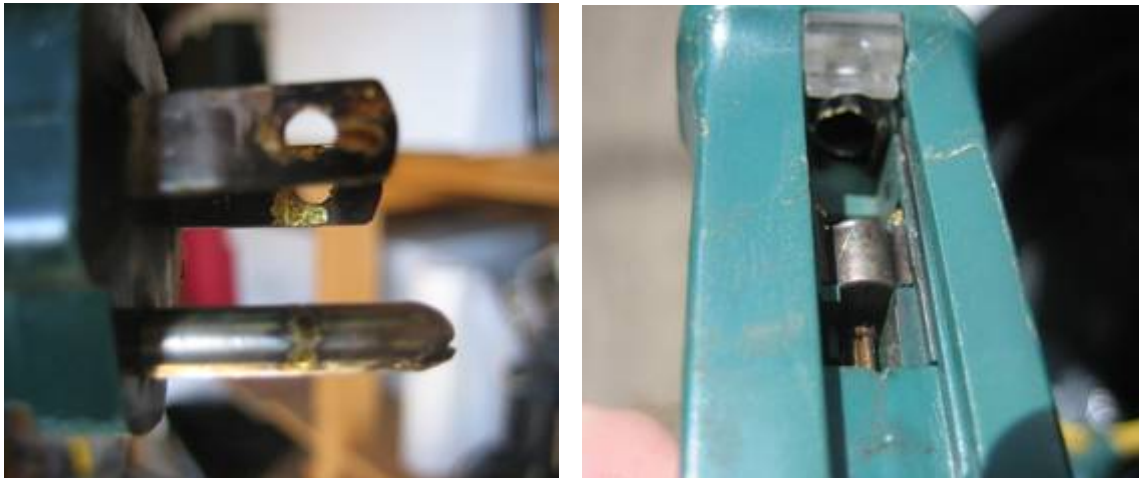
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PO Box 771453
Coral Springs, FL 33077

Mr. XX and Mr. XX were unable to determine the origination of the damages, although they believed lightning entered the system at some point. Mr. XX explained that the surge was so powerful that it exploded multiple lights in the house and melted metal to metal in various places.

Mr. XX then expressed his concern for the parts of the electrical system that had not been replaced, mainly the wiring. He explained that he would not feel safe in the insured's house and recommends the entire house be rewired for approximately \$10,000.00 additional. It was decided that our scope of work would be expanded to determine whether or not further repairs were required.

TechLoss accompanied Mr. XX through various areas of the insured's house, including the crawlspace and garage, mapping out the locations of the damages. We were then shown to the damaged items that had been put in the shed. These included receptacles, switches, cords, lighting and the sump pump that had been damaged by the surge.

The metal vaporization present in photos 1 and 2 indicates the surge was quick and powerful, two characteristics of a lightning induced surge. The fuse in photo 2 with blown glass also illustrates the intensity of the surge. A utility induced surge would have broken the filament, but not the glass housing.



Photos 1 & 2: Metal Vaporization and Burn Marks

The only item that is in-line with a utility induced surge is the frayed wire with burnt back insulation, as seen in photo 3. This damage can also be the result of a small fire due to arcing, which could have also been caused by a lightning induced surge.

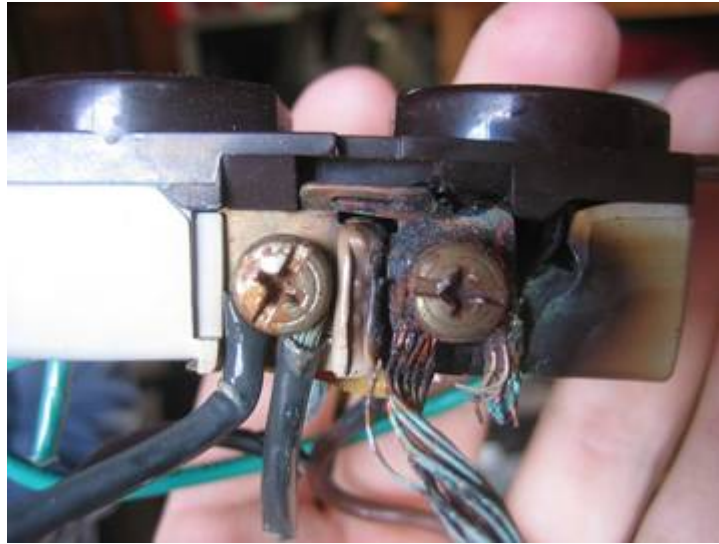


Photo 3: Metal Vaporization and Wire Fraying

The possibility of the above damages being caused by a utility induced surge is ruled out by the damages seen in photos 4 and 5. Burn marks on a circuit breaker indicate that the surge came through faster than the surge protector reacts, which is within seconds. A utility induced surge would be slow and drawn out, not instantaneous like a lightning induced surge. The arcing seen in photo 5 could be nothing other than a powerful surge induced by lightning.



Photos 4 & 5: Burn Marks on Circuit Breaker and Outdoor Lighting

The only unanswered question that the electrician had was, “Where did the lightning enter, since there was no obvious point of entry?” The map in figure 1 shows how the insured’s location is almost fully surrounded by utility power lines. With the web of holiday lighting in the tree right next to the power lines (photo 6), along with the electric photo eye (photo 7) and weathervane (photo 8) above the roof, it is very probable that the lightning struck in the vicinity of the house. A strike in the vicinity could have easily traveled through one or multiple of these conductors, infiltrating the insured’s electrical system.

RECOMMENDATIONS:

Our recommendations, per each objective, are as follow:

- Perform an on-site inspection in order to verify damages.
 - TechLoss performed our on-site inspection on Date and were accompanied by Mr. XX of XX Company and Mr. XX of XX Company.
- Determine if the damages resulted from a lightning induced or utility induced power surge.
 - Based on the types of damages found and the layout of the loss location, TechLoss recommends the damages were caused by a lightning induced power surge.
- Determine if further repairs to the wiring will be required.
 - Based on the results of the in-depth testing performed by Mr. XX, TechLoss recommends the wiring should be intact and does not require any further replacement.

If you have any questions, comments or additional requests regarding this project please contact me at XX Ext. XX or via email at XX@techloss.com. Thank you for using TechLoss Consulting & Restoration, LLC.

Sincerely,

XX
Consulting Engineer



Date

Sample Company
123 Anywhere Street
New York, NY 10001

Attention: Client Name

Reference:	Final Project Report
Claim #:	123-456789
TechLoss File:	C-XX-XX-XXXX-C
Insured:	XX Company
Loss Type:	Lightning
DOL:	Date

INITIAL RESPONSE:

On Date, at XX A.M., TechLoss Consulting & Restoration, LLC (TechLoss) received the above-referenced project involving XX Company. TechLoss then made contact with Mr. XX with XX Company at 123-456-7890 on Date, at XX A.M informing him that we were retained by his insurance company, Sample Company, to assist with the resolution of the electronic portion of this claim.

OBJECTIVES:

Our objectives are to investigate a suspected lightning loss in order to:

- Determine the cause of the damages.
- Determine the repair/replacement costs necessary to return the damaged equipment to a pre-loss condition.

INVESTIGATION PROCESS:

TechLoss began its investigation by speaking with Mr. XX of XX Company in order to gather further information regarding the damaged equipment. From this, we learned the surveillance system was no longer recording correctly and a few of the cameras were not operating in their expected fashion. However, Mr. XX could not provide details regarding specific damages to the pieces of equipment. Based on this, TechLoss requested Mr. XX

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ship the damaged items to our location for an in-house evaluation. Upon receiving the items, TechLoss evaluated each item in order to determine the cause of the damages. The first item was the video recorder, as seen in photos 1 through 3.



Photos 1 & 2: Video Recording Main Board



Photo 3: Blown IC Chips

As seen in photos 1 through 3, black marks are prevalent where the IC chips have been damaged. Upon closer examination, these chips have suffered high voltage damage and extreme heat damage. Three separate areas of the boards show signs of electrical damages.

The next item we evaluated was the multiplexer/duplexer which allows multiple cameras to be displayed on one screen and also allows for recording-while-viewing abilities. This item can be seen in photos 4 & 5. The damages found on both items were on the incoming and outgoing transmission line connectors. These BNC¹ connectors attach the multiplexer to the cameras and the digital video recorder. The components associated with the power supplies of these items showed no signs of electrical surge damage.

¹ British Naval Connector, commonly used for video transmission.



Photos 4: Burn Marks on Multiplexer Inputs

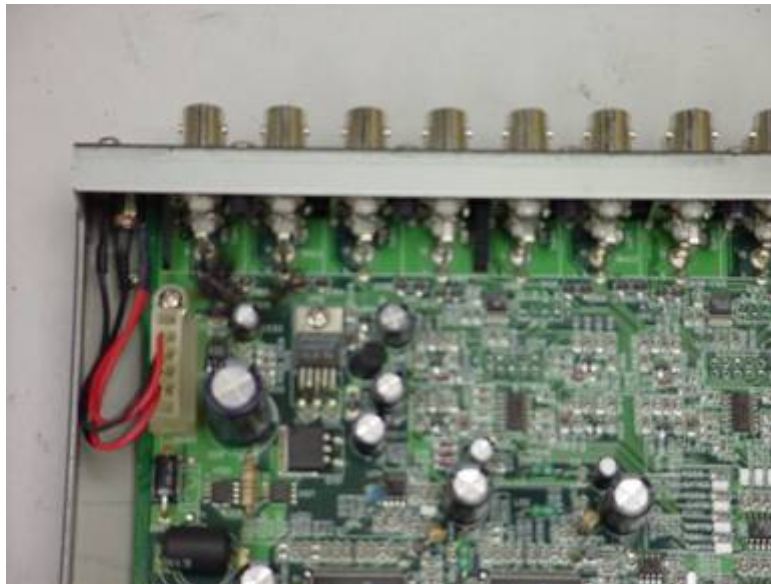


Photo 5: Burn Marks on Multiplexer Inputs

Following the evaluation of these items, TechLoss again spoke with Mr. XX regarding the remainder of his estimate. We learned that his estimate included the two items sent to us along with the board inside the main pan/zoom camera. The estimate also accounted for the age of the facility and the possibility of multiple wire runs requiring replacement.

TechLoss then researched the damaged items in order to verify their costs were fair and in-line with industry standards. We first spoke with Mr. XX of XX Company (123-456-7890), the manufacturer of the video recorder. Mr. XX informed us this unit had been phased out and the replacement was the XX, digital video recorder. This replacement unit could be purchased directly from XX Vendor for \$XX plus shipping.

We then researched the multiplexer/duplexer unit since it did not have a manufacturer associated with it. A replacement unit with the same number of channels and both black and white, and color capabilities was found for approximately \$XX.

We then researched a replacement camera in the event it did require replacement and found these could range from \$XX to \$XX based on the specifications and accessories. With these parts totaling approximately one fourth of the total estimate from \$XX to \$XX, TechLoss recommended it would be beneficial to have a second vendor travel to the insured's location and verify the extent of the damages to the system. This would also allow them to provide us with a repair quote.

We spoke with Mr. XX from XX Vendor, and coordinated an inspection of the system. Mr. XX contacted the insured and sent his commercial technician, Mr. XX, to evaluate the insured's system. Mr. XX then spoke with TechLoss to verify some specifications of the equipment we had in our possession. With all of this information, Mr. XX then provided us with a quote for the repairs and replacements. The quote is as follows:

"With regards to the XX in City, State. We suggest the following: Install a Samsung Model SVR-1630N Digital Video Recorder with 250GBHD that will replace the old 16 channel multiplexer and VCR. This unit is the one most likely to interface with the *existing* **UNKNOWN Brand** of Exterior PTZ camera without additional components. The list price of this unit is \$XX, *your price would be* \$XX plus sales tax, if they want the ability to archive data the unit can be ordered with a **CDRW** at a list of \$XX and *your price would be* \$XX.

Installation rate is \$ 65 per hour and I believe that it will take about 8 hours for our tech to install the unit, test and re-connect all the existing cameras and train the customer on its use. Should our tech find additional problems, we would advise you immediately before continuing. As I told you, during my conversation with XX at the XX she stated that the cameras were still delivering a picture but the system wasn't recording nor was she able to manipulate the PTZ functions. My bet is that most if not all of the cameras were probably not damaged by the lightning strike as there was no evidence of damage to the *fused* power supply units. The only way we can tell for sure is to install the DVR and fire the system up.

Please advise how to proceed from this point. Our terms are 50% down with the balance due upon completion."

RECOMMENDATIONS:

Our recommendations, per each objective, are as follow:

- Determine the cause of the damages.
 - Based on our in-house testing of the equipment and the evaluation of the system by XX Company, TechLoss recommends the equipment involved in the loss was in fact damaged by a lightning induced power surge.
- Determine the repair/replacement costs necessary to return the damaged equipment to a pre-loss condition.
 - TechLoss recommends the original amount claimed is based on an extensive amount of work that may not be necessary. We recommend the scope of work quoted by XX Company is more appropriate and the cost of \$XX plus sales tax is fair and in-line with industry standards. Based on the State Department of Taxation website, the maximum tax on this item would be \$XX.

Upon receiving this project, the initial claim amount was \$19,785.00. Based on the above information, TechLoss recommends the electronic portion of this claim can be resolved for \$5,680.00 minus any applicable deductible.

If you have any questions, comments or additional requests regarding this project please contact me at XX Ext. XX or via email at XX@techloss.com. Thank you for using TechLoss Consulting & Restoration, LLC.

Sincerely,

XX
Consulting Engineer