
CCL Reviewed Claim

LaClede Electrical Office & Warehouse

Camdenton, Missouri



CCL was retained by Maryland Casualty Company to review a claim filed by J.C. Industries/United NRB (JCI) on a Commercial General Liability Coverage Policy. JCI was the HVAC contractor on the construction of an office building and warehouse for LaClede Electrical Coop. The claim was for costs of repairs to the warehouse floor and retardant floor heating piping. During pressure testing, water in the piping froze and burst the pipe causing leaks at several locations. The owner retained the project engineer to evaluate repairs required. The engineer determined the piping had to be replaced which required removal of portions of the warehouse floor slab that had already been poured in place.

CCL evaluated the reasonableness of labor costs, material costs, equipment charges, engineering fees, and overhead costs included in JCI's invoices, job costs and the claim documentation provided to Maryland Casualty. CCL prepared a summary of the amounts claimed by JCI and the amounts determined by CCL to be reasonable on a line item-by-item basis.

CCL determined the labor hours and costs were reasonable. Material costs were adjusted to coincide with actual invoices submitted. Equipment charges were reduced to reflect industry standard equipment rental rates and adjusted to include only the equipment on-site actually used for the repairs. Additional A/E fees were determined to be reasonable. Overhead costs were reduced to reflect a reasonable percentage mark-up.

CCL prepared a report of findings with respect to the reasonableness of costs submitted by JCI and recommended the claim amount be reduced approximately 45%. Maryland Casualty used CCL's cost analysis as a basis for claim payment and negotiation with JCI.



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