

INSURANCE VALUATION SERVICES

AS THE INSURANCE MARKET CONTINUES TO REQUIRE INCREASINGLY DETAILED INFORMATION AND COMPREHENSIVE VALUATIONS, CALCULATING THE APPROPRIATE INSURABLE VALUES WILL HELP ORGANIZATIONS BETTER MANAGE THEIR RISK.

THE INSURANCE CLAIM SERVICES PRACTICE OF BDO CONSULTING assists organizations with the development of accurate business interruption and property values, in addition to helping them understand the appropriate levels and limits of insurance required.

Proactive time element and property valuations will help organizations determine the appropriate amount of coverage required. Inaccurate valuations may result in premiums greater than necessary or inadequate coverage.

► BUSINESS INTERRUPTION VALUATION

BDO Consulting's professionals analyze clients' operational data, financial information and continuity plans to create comprehensive analyses on time element values that provide for the identification and quantification of potential operational and financial risk. Understanding that every situation is unique, our approach considers all facets of the industry that the organization operates in and is integrated with the organization's strategies. Our CPAs' use of sophisticated modeling techniques to analyze an organization's interdependencies, combined with our experience preparing business interruption claims across numerous industries, gives BDO Consulting a strong insight into the appropriate manner in which to value time element exposures.

Our initial approach includes:

- **Communication** – Meeting with management to identify existing business risk assessments, previous loss history, business plans, financial projections and potential mitigation strategies;
- **Diagnosis** – Identifying contingent and extended exposures, as well as other exposures that may not be triggered from first-party property damage;
- **Analysis** – Reviewing and analyzing documentation to calculate time element exposures;
- **Technology** – Integrating technological solutions to create an efficient and timely valuation process; and
- **Documentation** – Supporting calculations and underlying assumptions with historical and prospective financial data.

BDO Consulting's professionals also assist clients by preparing a Maximum Loss Scenario (MLS). An MLS is the process of simulating an occurrence or occurrences in which the organization experiences a catastrophic loss event. The financial impact is quantified to provide a sophisticated analysis and report to management relating to the entities' "true risk." An MLS includes detailed analyses on potential extra expense as well as business interruption losses.



BDO Consulting's valuation services may include analyses of any of the following:

- Business interruption risks, including interdependencies
- Contingent business interruption risks
- Maximum Loss Scenario
- Replacement cost valuation
- Stock values/finished goods at selling price
- Property values

► PROPERTY VALUATION

Many insurance policies cover buildings, inventory, machinery and equipment at replacement cost or actual cash value, which often differs from book values. BDO Consulting assists clients in understanding the most appropriate value for their assets as they relate to their insurance requirements.

BDO Consulting's valuation professionals perform detailed estimates using construction and real estate industry techniques to calculate an accurate assessment of replacement cost. Additionally, our valuation professionals are able to appraise and value machinery and equipment using their experience in a wide range of manufacturing operations.

► OUR PROFESSIONALS

The professionals of BDO Consulting's Insurance Claim practice have extensive experience working with organizations to determine an accurate assessment of their risk and assist clients and their brokers in determining appropriate values for coverage determinations. Our professionals draw on their experience working in numerous industries, offering unique insight to our clients' valuation needs, and they hold a variety of certifications, including CPA, MAI, ASA and MRICS.

► OTHER SERVICES

Insurance Claim Services

BDO Consulting Insurance Claim professionals have substantiated some of the largest and most complex property and business interruption insurance claims in the United States and abroad.

Our professionals are frequently involved in complex claims ranging from \$500,000 to \$250,000,000 in value, arising from fires, tornadoes, hurricanes, earthquakes, power disruptions, floods and boiler and machinery losses. BDO Consulting has documented numerous claims for business interruption arising from acts of civil authority, ingress/egress, physical damage to dependent properties and off-premise power disruptions.

BDO Consulting's professionals also evaluate, quantify and substantiate losses from Fidelity Bond claims, Director and Officer claims, E-Commerce and Cyber claims, as well as Product Recall claims.

Investigations

BDO Consulting's Investigations practice offers public and private sector clients a wide array of investigative services. Our investigators have conducted financial and nonfinancial investigations domestically and internationally, in rapid response to allegations of suspected fraud, wrongdoing and corporate misconduct. BDO is experienced in the protection and recovery of assets. Serving businesses and law firms, our investigators deliver discreet, responsive and comprehensive services with a clear understanding of our clients' needs and concerns.

Investigative Due Diligence

Our professionals identify, verify and analyze information to alert clients to potential risks and advise on their mitigation through a comprehensive process of in-depth background checks, interviews and detailed analyses. These services are essential for organizations and investors concerned about the unknown dimensions of a potential acquisition, investment or business relationship, or about employee concerns. Whether an organization or investor is involved in a merger or acquisition or entering into a significant relationship with a customer or vendor, conducting proactive due diligence on the individuals or entities with which they do business can help expose or mitigate hidden risks.

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BDO Consulting provides litigation, investigation, business restructuring and risk advisory services to clients in the United States and internationally. Our highly experienced and well-credentialed professionals leverage the global industry and accounting knowledge of the BDO international network, providing rapid, strategic advice to assist our clients.

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