



Case Study – Repair Costing Analysis for Variable Vintages of Automobile Electronics – Most Unique Claim of 2025

Claim: The Insured, an automotive electronics repair shop, suffered a **water leakage event** from a ceiling drain pipe fitting failure. The leak directly exposed an inventory of 164 items, including diverse vintages of automotive radios, speakers, and electronic consoles to the water flow. The Insured submitted a contents claim totaling **\$31,751.07**, using vague retail/secondary market pricing.

Challenge: Property Claims personnel faced severe valuation complications:

- **Pricing Variances:** Initial evaluations showed larger items were heavily overvalued by the Insured, while lower-value items were undervalued.
- **Salvage and Labor Hurdle:** The Insured planned to execute all repairs himself and sell the units as product. This eliminated traditional insurance salvage opportunities and required a distinct labor valuation that would not overburden the Insured with estimating costs.

Solution: Development of a Unique Methodology. To establish an objective evaluation, Equipment Damage Consultants (EDC) adapted a specialized auditing framework normally reserved for custom manufacturing claims (such as recreating handmade jigs and machine fixtures). Instead of demanding individual repair estimates for 164 separate electronics, EDC engineered a tiered, value-bracketed formula. Data was utilized from the US Bureau of Labor Statistics for Commercial Electronics Repair Technicians. Acknowledging the Insured's specialized expertise, EDC benchmarked labor at a premium "Master Repairer" status of \$50.00 per hour. EDC then developed three standard repair caps combining fixed labor windows and material costs, ranging from \$120.00 to \$250.00 per item.

Findings & Value: Applying this standardized, bracketed matrix successfully stripped away arbitrary retail markups. It also cleanly disallowed a handwritten \$4,000.00 "hard to find" surcharge added by the Insured. Miscellaneous items and LED lighting reels were valued at the claimed cost as non-repairable stock. EDC recommended a final LKQ/RCV of **\$17,803.90**. Because the valuation funded complete physical restoration, Actual Cash Value (ACV) depreciation and salvage values were deemed inapplicable. Ultimately, this unique bracketed methodology saved the insurer **\$13,947.17** while equitably funding the Insured's labor to restore his inventory to marketable condition, as was accepted along with closure of the claim.