

Subcontractor Default Insurance

Claims Services

Subcontractor defaults can create significant cost overruns and delays for general contractors. Subcontract Default Insurance (SDI) provides a path to recover. The challenge is often presenting and proving a default loss.

Imperium can help.

The Imperium team specializes in SDI claims, averaging 28 years of construction and default claims experience. We've helped contractors document some of the largest SDI claim recoveries to-date. Our approach is customized to the way our clients manage projects, and aligned with the claims processes carriers employ.

We help streamline and expedite the recovery of direct and indirect costs, and provide forensic scheduling and accounting expertise to satisfy claim documentation requirements and help maximize financial recovery.

SDI Claims Can Affect the Entire Project

The effects of a subcontractor default on the flow of a project can be pervasive, creating financial exposure that a general contractor must mitigate. Costs that result from a default can include:

- Replacement contractors
- Rework and repairs
- Supplemental labor and equipment
- Added supervision
- Third party/other sub claims
- Delays, owner costs, and potential liquidated damages

SDI claim costs often exceed 2X or more the subcontract value. Imperium understands how and why these costs occur, and can help document and present this to meet insurance company expectations.

Imperium's Approach

Our approach is to help build the claim right the first time. Our service includes:

- Implementation of procedures at the project level to specifically document default costs
- Reconciliation of the available subcontract balance
- Separating default costs from base contract and non-default scope of work
- Documenting replacement contractors and vendors costs
- Reconciling owner changes and builder's risk claims from the SDI claim
- Performing a forensic schedule analysis to support indirect costs
- Reconciling and documenting proof of payments to a contractors general conditions
- Assist in the review, adjustment and payment process on behalf of the insured with the carrier

For more information, please email info@imperiumCG.com or visit our website at www.imperiumCG.com

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About Imperium

Imperium Consulting Group, LLC, is a specialized advisory business that works with clients to better manage commercial risks as well as resolve complex claims and disputes. Employing a multi-disciplined approach with engineers, forensic schedulers and accountants, Imperium has vast expertise in construction, project auditing, government contracts and commercial contract disputes. Imperium also provides insurance claims preparation services and recovery strategies related to Builder's risk, property damage, business interruption, surety, subcontractor default, and delay-in-start-up. www.imperiumCG.com