


stratis™ REVIEW

LOWERS
FORENSICS®
INTERNATIONAL



AIU	1,822
EJK	3,680
HPL	1,062
KEE	485
NAH	8,569
QOP	6,602
TIK	890
WIG	6,280
AHD	2,436

CLAIM

COMPANY A

DOL:

September 21, 2018



Description of Loss

The insured operates a residential housing complex that was affected by the failure of a temporary roofing structure during a rainstorm. The temporary roofing structure was put in place while the roof was being replaced and was not intended to be permanent. The temporary roof failed, allowing water to enter 39 units which were impacted for approximately 2 ½ months.



Methodology Used

Pre-Loss Period

Stratis Calculation (Net)

\$331,637

Loss Calculation Variance

7%

Stratis Fee

\$1,949

Original Accountant Fee

\$10,000



Basic Narrative of Calculation

Our Stratis measurement calculates lost rental income based on a review of the rent rolls before the loss and during the period of indemnity. Ancillary revenue is also measured. The total lost revenue is multiplied by our business interruption percentage (96.38%) to account for saved expenses. Rent adjustments/credits to other impacted tenants were reviewed and included in the analysis; our total business interruption loss is \$311,016. The analysis also includes additional management fees of \$20,621 which were incurred as a result of extra duties performed by the management company, resulting in our grand total of \$331,637.

CLAIM²

COMPANY B

DOL:
JUNE 3, 2019



Description of Loss

The insured operates a Hotel that was impacted by water damage caused by sewer backup on the 6th floor of a hotel. The damages impacted 28 rooms out of 453 total rooms, with high occupancy prior to the loss. Damages also impacted common areas and the bar and lounge. The loss has been measured for a period of approximately 1 ½ months.



Methodology Used

Stratis Calculation (Net)

Loss Calculation Variance

Stratis Fee

Original Accountant Fee

Daily Trend Calculation

\$156,812

1%

\$1,949

\$12,000



Basic Narrative of Calculation

Our Stratis measurement is based on the STAR reports and comparable hotel occupancy for the pre-loss and loss periods. The lost rooms revenue is calculated and the corresponding revenue for other departments such as Food & Beverage is also measured; the total lost revenue is \$174,596. The business interruption percentage for each department has been applied to account for saved expenses, resulting in a net total Business Interruption loss of \$149,161. The claim also included Extra Expenses which have been reviewed, resulting in our grand total \$156,812.

CLAIM³

COMPANY C

DOL:
February 2, 2019



Description of Loss

The insured operates a Hotel that was impacted by a roof leak which caused water damage to rooms. The loss also affected ancillary revenue related to Food & Beverage and other departments. The loss has been measured for a period of approximately 4 ¼ months.



Methodology Used

Stratis Calculation (Net)

Loss Calculation Variance

Stratis Fee

Original Accountant Fee

Daily Trend Calculation

\$88,396

1%

\$1,949

\$4,000



Basic Narrative of Calculation

Our Stratis measurement is based on the STAR reports and comparable hotel occupancy for the pre-loss and loss periods. The use of STAR reports allows for a comparison to local hotels which is used to project occupancy during the loss period and to account for local economic conditions. The lost rooms revenue is calculated and the corresponding revenue for other departments such as Food & Beverage is also measured; the total lost revenue is \$113,278. The business interruption percentage for each department has been applied to account for saved expenses, resulting in a net total Business Interruption loss of \$88,396.

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Conclusion:

The Stratis loss measurements for the three claims resulted in calculations which were comparative to, or lower than, the original calculations performed by other accounting firms. The Stratis pricing is based on the number of documents that are required for the measurement of the loss. In comparison to traditional accounting reviews, the fees were significantly reduced using Stratis. In addition, on average the turnaround time from the date that documentation was received to final reporting was approximately five business days.



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