



# AXIOM Claims Analytics

Resources for Construction Defect Claims Handling  
Consulting Services, Expert Witness, Training

## Summary of Problems with Current CD handling system and Solutions with New Approach

**Problem 1:** The current system takes too long to resolve CD cases, often 2 or 3 years and in some cases longer.

**Solution 1:** The New Approach can resolve CD cases in 6 to 18 months

**Problem 2:** The current system is too costly

**Solution 2:** The New Approach can resolve CD cases for hundreds of thousands of dollars less by reducing defense fees and settlement payments

**Problem 3:** The current system forces parties to argue over items that are not real defects which may increase the amount that is necessary to settle a CD claim.

**Solution 3:** The New Approach uses a Neutral General Contractor Expert to determine what the real repairs should be because of real defects

**Problem 4:** The current system encourages Plaintiffs to artificially inflate claims to leave room for negotiation

**Solution 4:** The New Approach identifies the real defects and the real damages that have resulted so a reasonable settlement can be achieved.

**Problem 5:** The current system forces parties and insurance carriers to delay settlement because of a lack of documentation that is necessary to properly evaluate a CD claim for settlement.

**Solution 5:** The New Approach will provide the necessary documentation which will encourage the parties and insurers to participate in settlement negotiations earlier which will resolve the CD claims for less money

**Problem 6:** The current system discourages transparency and drives up the cost of resolving CD claims.



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**Solution 6:** The Neutral General Contractor expert and Neutral Consulting Insurance Expert will be working with full transparency. All participating parties will have input into the final defects and damage.

**Problem 7:** The current system makes it very difficult for insurers to work together to develop a cost-effective approach to resolve CD claims.

**Solution 7:** The New Approach brings all insurers together early in the CD claims resolution process to develop a joint approach and share costs to reduce the overall defense fees and costs.

**Problem 8:** The current system makes it very difficult to resolve CD claims early requiring hundreds of thousands of dollars to be spent on defense fees and experts and years of litigation before a resolution can be achieved.

**Solution 8:** The New Approach would allow CD claims to be resolved more quickly, efficiently, and for less cost for all involved parties.

**Problem 9:** The current system makes it very difficult to reach an agreement on an equitable sharing of defense fees, costs and indemnity payments

**Solution 9:** The Neutral General Contractor Expert and Neutral Consulting Insurance Expert would be tasked with developing an equitable allocation among the parties with input from the parties and their experts with the assistance of the mediator

**Problem 10:** The current CD claims handling system has been around for 30+ years. It is generally agreed among the parties that it is broken.

**Solution 10:** The New Approach is an opportunity for the CD claims industry to fix itself!