

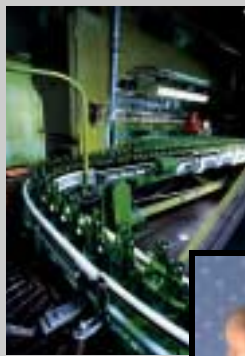


# Diversified Product Inspections, Inc.

*Service to the Insurance Industry, Manufacturers, and Consumers*



**Independent Forensic Investigations**



**Arson Investigations**

**Product Identification**



**Adjuster Seminars**

**Consumer Safety**



# Complimentary Seminars.....

*Product Awareness & Subrogation Seminars*



**To Schedule A Seminar  
Call: 1/800-865-6220**

## Adjuster's Kit



DPI provides free training seminars to adjusters and claims associations nationwide.

During the seminar attendees will learn about the unique Mail-In Program, the On-Site Program, and how to use the free "Adjuster's Kit" given to each attendee.

Seminars will present to you the types of products that DPI inspects on a daily basis and how its data-base of over 380,000 products can be put to work for you to subrogate claims on failed or recalled products.

## Types of Products that will be reviewed at the DPI Seminars:

- |                               |                                |
|-------------------------------|--------------------------------|
| <b>Air Conditioning Units</b> | <b>Pressure Release Valves</b> |
| <b>Big Screen Televisions</b> | <b>Refrigerators</b>           |
| <b>Check Valves</b>           | <b>Sump Pumps</b>              |
| <b>Clock Radios</b>           | <b>Surge Protectors</b>        |
| <b>Clothes Dryers</b>         | <b>Televisions</b>             |
| <b>Cooking Stoves</b>         | <b>Tires</b>                   |
| <b>Copper Pipe</b>            | <b>Toasters</b>                |
| <b>CPVC Pipe</b>              | <b>Toilet Tanks</b>            |
| <b>Curling Irons</b>          | <b>Toilet Valves</b>           |
| <b>Dishwashing Machines</b>   | <b>VCRs</b>                    |
| <b>Extension Cords</b>        | <b>Washing Machine Hoses</b>   |
| <b>Faucets</b>                | <b>Washing Machines</b>        |
| <b>Freeze Proof Hose Bibs</b> | <b>Water Control Solenoids</b> |
| <b>Garbage Disposals</b>      | <b>Water Filters</b>           |
| <b>Hair Dryers</b>            | <b>Water Heaters</b>           |
| <b>Masonite Siding</b>        | <b>Water Level Switches</b>    |
| <b>Polybutylene Pipe</b>      |                                |
| <b>Power Strips</b>           |                                |



DPI conducts **independent, unbiased** forensic investigations. At **DPI**, our customer is our **only customer**. The following services are available.

### **Civil Engineering**

Roofing Evaluations  
Building Materials Evaluations

### **Code Analysis**

Building & Fire Code Analysis  
Code Research  
Code Interpretations

### **Electrical Engineering**

Appliance Evaluations  
Lightning Evaluations  
Investigations of fire caused by failure

### **Fire Sciences**

Origin & Cause Investigations  
Evidence Collection & Storage  
Flammability Analysis of Fire Causes

### **Gases & Gas System**

Individual Gas Analysis

### **Mechanical Engineering**

Product Liability Examinations  
HVAC System Analysis

### **Marine Investigations**

Product Failures associated with boating

### **Subrogation Investigations**

Litigation Assistance  
Product Liability Research  
Case Evaluations

### **Training & Seminars**

Product Awareness  
Subrogation Potential  
Origin and Cause

Detailed Resumes of Investigative Specialists & Engineers available upon request.

**Visit our Web Site [www.dpi-inc.com](http://www.dpi-inc.com)**





# Mail-In Program.....

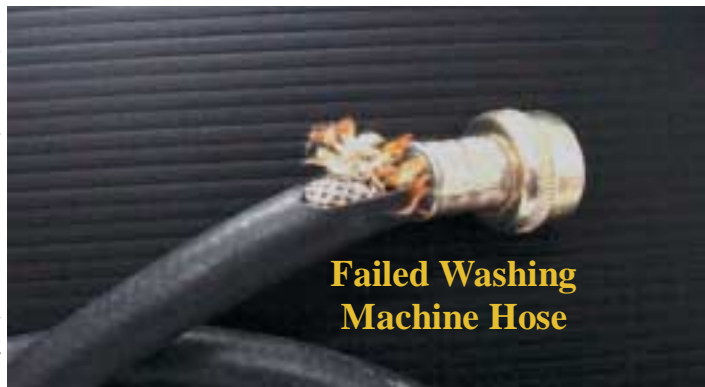
*Affordable nationwide product inspection coverage*



The corner stone of DPI’s business has been the successful, cost effective Mail-In Program using the “Adjuster’s Kit.” No longer is subrogation possible solely on large claims or small products that fail, but can be pursued on items traditionally not considered for subrogation. The kit contains pre-addressed UPS labels and shipping containers. All the necessary forms to easily document a claim and create “a chain of evidence” are included.

## **Defective Washing Machine Hoses—Just One Product That Can Be Successfully Subrogated**

Millions of washing machine hoses are the cause of large amounts of water damage in homes every year. One major insurance company paid out over \$140 million in claims caused by failed hoses last year alone. A majority of these claims are the result of product failures because the hoses are designed to fail due to the use of a rayon inter-lining. Rayon rots when it comes into contact with water. One



**Failed Washing Machine Hose**

manufacturer markets 30 million replacement hoses per year. They choose not to use nylon mesh, which is water resistant, but continue to use rayon knowing that the hoses will fail, and replacement hoses will need to be purchased.

DPI has been so successful with evidence for insurance companies to use in subrogation, that one hose manufacture has increased the hose price by 50 cents on three occasions to establish a subrogation fund. They then continue to sell the defective hoses in the lucrative hose replacement market.

### **A partial list of items that could be mailed using the “Adjuster’s Kit”.**

- |                                |                          |                           |                        |
|--------------------------------|--------------------------|---------------------------|------------------------|
| <b>Check Valves</b>            | <b>Copper Pipe</b>       | <b>CPVC Pipe</b>          | <b>Faucets</b>         |
| <b>Freeze Proof Hose Bibs</b>  | <b>Garbage Disposals</b> | <b>Polybutylene Pipe</b>  | <b>Power Strips</b>    |
| <b>Pressure Release Valves</b> | <b>Sump Pumps</b>        | <b>Surge Protectors</b>   | <b>Toasters</b>        |
| <b>Toilet Valves</b>           | <b>Extension Cords</b>   | <b>Water Filters</b>      | <b>Washing Machine</b> |
| <b>Water Control Solenoids</b> | <b>Water Softeners</b>   | <b>Water Supply lines</b> | <b>Hoses</b>           |



# Diversified Products Investigator

*Serving Consumers, Insurance Industry, and Manufacturers*

Diversified Product Inspections, Inc.

Monthly Newsletter August 2001



## New Product from DPI....

### Start Protecting Your Home & Family Today

Diversified Product Inspections, Inc., (DPI) announces the HomeCheck Product Safety Program will be up and running August 3, 2001, at [www.homechecksafety.com](http://www.homechecksafety.com) or as a link on DPI's web site [www.dpi-inc.com](http://www.dpi-inc.com).

HomeCheck uses DPI's extensive database of product failures and recalls to evaluate possible failures in a member's home. Consumers will be able to easily list their household products online with HomeCheck, which are then compared to DPI's database. Members will then be notified via email of any possible recalled or unsafe products in their home. Members may also use HomeCheck to check items before making purchases.

With an average of over 22,000 deaths and 2.9 million injuries in 1999 associated with consumer products, and 90 million product units recalled in 2000, HomeCheck can be an extremely effective way to protect homes and families throughout the United States. In the U.S. and Canada there is a fire reported every 75 seconds, many of which are caused by product failures. For only \$60 the first year, and \$15 renewal each year after, HomeCheck is a minimum amount of money for a maximum amount of knowledge that may prevent property damage and even save a family member's life.

An added value to HomeCheck members will be the ability to receive important announcements or life threatening alerts from other governmental agencies such as the Food & Drug Administration (FDA), the National Highway Traffic Safety Administration (NHTSA), Food Safety & Inspection Service (FSIS), Environmental Protection Agency (EPA), and the Consumer Product Safety Commission (CPSC).

Industry and consumer groups, who have previewed the HomeCheck program, see it as a very important innovation that will prevent property damage and save lives. DPI is committed to make homes safer for all Americans.

*From the President's Desk:*

### What's on Top?

There are many types of roofing materials on the market today, consisting of steel-aluminum-plastics-wood fiber-clay-cement-asphalt. The service they provide is dependent on the installation and the manufacturing process of the roofing material.

Roofs should periodically be inspected for weather related damage, also for roofing material performance. Preventative maintenance is a critical factor in keeping your home dry. There are recalls and class action lawsuits involving roofing materials. It is the homeowners responsibility to identify and to fill out claims for these products. The age of your roof can be greatly affected based on the location of your home and the design of the roof. The performance and life span of your roof can be affected by a number of occurrences.

Pressure washing of the roof can result in an accelerated loss of granule cover and it can also force water into wood fiber roofing materials. Foot traffic on the roof in hot weather or in improper locations, such as valleys, can cause damage to the roofing material. If a roofing problem has occurred, try to evaluate the cause of the problem and to determine if this is a product failure. If the appearance of the roof indicates that a potential problem is occurring, identify the cause of that problem and determine if there is a responsible party. All products have a life expectancy. Consider those life expectancies when evaluating roofing problems. Remember, a dry homeowner is a happy homeowner.

## Official Recall Notices

### High Chair Recall



Peg Perego USA Inc. is voluntarily recalling about 325,000 high chairs. When the seat is reclined, the high chairs have a space between the armrest and backrest in which a child's head or arm can become entrapped. This can pose a risk of suffocation or injury to young children.

The recalled chairs are the "Prima Pappa," "Roller," and "Martinelli Pappa and Nanna." The model names are located on the footrest or the seat back. A sticker on the brace connecting the front leg to the back leg reads in part, "Peg-Perego" and "Italy."

Consumers should call Peg Perego toll-free at 877-737-3463 anytime or log on to the company's website at [www.perego.com](http://www.perego.com) to receive free replacement armrests that will eliminate the entrapment hazard. Consumers should not return the high chair to the store where purchased.

### Recall of Percolators

Atico International USA Inc. is voluntarily recalling about 198,000 electric percolators. If the thermostat fails, the plastic housing of the percolator can overheat and melt while in use, posing a fire hazard.



The recall includes Atico's Kitchen Gourmet Automatic 10 cup percolator and Prinetti Electric 10 cup percolator. The white plastic percolators have gray bases. The Kitchen Gourmet Automatic 10 cup percolator is decorated with three red flowers on the front. The Prinetti Electric 10 cup percolator is plain white with "Prinetti" written on the front.

Consumers should stop using these percolators immediately and call Atico International toll free at 800-645-3867 between 8 a.m. and 5 p.m. ET Monday through Friday for information on how to receive a refund.

## Pennies in Cost, Dollars in Savings



This letter came from one of our adjusters.

"I have just been advised that we have collected about 3/4 of our payment on a claim due to a leak on a dishwasher. The collection was made possible by your detection of a faulty part in the dishwasher. I will admit to you that my initial opinion of the \$175.00 to inspect and advise your evaluation of the part was a little high. But compared to collecting \$5,800.00 from the manufacturer, it now appears to be productive."

"O.K. so now I am a believer. It does beat \$400 or \$500 to have a mechanical engineer locally to check it. I have since sent every faulty part of an appliance or the appliance itself to you. You now have a hot water heater that you are investigating for me and hopefully we can collect on this one." (After a DPI investigation, the claim was advised for subrogation.)

"I have worked claims for 28 years, and I knew that there had to be some way of pursuing the responsible party for damages. Be careful, you may cause manufacturers to start making a better product."

If you have successful subrogation stories you would like to share with this column, DPI would love to hear from you. Email your stories to [renee.heimerman@dpi-inc.com](mailto:renee.heimerman@dpi-inc.com).

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# Diversified Products Investigator

*Serving Consumers, Insurance Industry, and Manufacturers*

Diversified Product Inspections, Inc. Monthly Newsletter September 2001

## Children and Lighters, a BAD Combination

In response to the increasing number of fire deaths caused by young children playing with cigarette lighters, the U.S. Consumer Product Safety Commission (CPSC) promulgated the "Safety Standard for Cigarette Lighters" that required most cigarette lighters to be resistant to operation by children younger than age 5. The Standard became effective on July 12, 1994, for lighters manufactured or imported after that date. It applies to disposable, inexpensive, cigarette lighters and novelty lighters that appeal to young children.



The Standard has been very effective in reducing fire losses caused by children younger than age 5 playing with cigarette lighters. It is estimated that the Standard has prevented 4,800 fires, 130 deaths, 950 injuries, and \$76.4 million in property loss in 1998, with total societal savings estimated at \$773.9 million. Additional savings are anticipated in subsequent years.

Nevertheless, fires caused by children playing with lighters remain a concern. Another Standard requiring child resistant features on multi-purpose lighters went into effect December 22, 2000. Both CPSC lighter standards are designed to make lighters child resistant, but not child proof.

In DPI's travels, several novelty lighters have been found that do not have any kind of safety mechanism to prevent small children from starting fires. These lighters are attractive to kids because of their fun shapes; cell phones (some even ring), cars, bugs, and even the toilet pictured above.

Fire losses due to children using lighters should be investigated for subrogation possibilities. This year alone, almost 14 million lighters have been recalled because of the child-resistant mechanisms failing.



Gladstrong Investments USA voluntarily recalled about 13 million disposable lighters this spring. The child-resistant mechanisms were frequently ineffective. Young children were able to operate the lighters, posing a fire hazard.

The recalled lighters have their brand name, "BODABING", "GIL", "HAPPY", or "WAX" stamped on both sides of their metal tops. Consumers should stop using these lighters immediately and return them to the store where purchased for a full refund.

## Item Storage

When sending an item to DPI for investigation, storage is provided for one year enabling time to pursue subrogation. If the item is needed for subrogation, it is available. Many times, DPI is not notified after the subrogation case is complete so that the item may be disposed. Therefore, at the end of the one year storage, you will be billed for additional storage time.

Before billing occurs, accounting will fax the form below for verification of disposal or storage needs. Please respond quickly to the request so that you may not be billed unnecessarily. The accounting department thanks you for your assistance.

TO:	_____
Adjuster:	_____ Ad- _____
FROM:	Diversified Products Inspections, Inc. 3 East Main Street Oak Ridge, TN 37830
DATE:	_____
SUBJECT:	Claim No. _____ Insured: _____ DPI File No: _____
<small>Please be advised that we are still storing evidence in the above-referenced case. The first of next month we will be sending out storage invoices for this evidence for the next year's storage fee. If you no longer need this evidence or wish to have the evidence returned to you, please place an "X" in the appropriate place, sign and returned this form to us.</small>	
<small>If we do not receive this form back within the next two (2) weeks, we will invoice you for the next year's storage fee on this evidence.</small>	
<small>Your help in this matter is greatly appreciated.</small>	
_____	<small>Please dispose of the evidence</small>
_____	<small>Please return the evidence to the following address:</small>
_____	_____
_____	_____

## Shipping Issues

Shipping often receives items with no claim form or any information. Without a completed claim form it is difficult and sometimes impossible to identify the adjuster. We have several "anonymous" items waiting for that mystery adjuster to call wanting his/her report. Don't let that be you!

When completing the shipping air bill it is very important that the estimated weight section be completed. This is necessary for the shipping company.

## Official Recall Notices



### Candle Recalls

Xanadu Candle Co. is voluntarily recalling about 2.8 million candles. These candles can burn with a high flame, posing a fire and burn hazard to consumers.

These candles were sold in glass containers. A label on the bottom of these candles reads, "Nature's Preserves", "Home Fragrance Filled" or "Spring Hydrangea." The "Nature's Preserves" candles include a 16-ounce canning jar container filled with imitation fruit, a 10-ounce round container filled with imitation flowers, jars containing candy corn or jelly beans, containers filled with star or tree shapes, square shaped jars containing imitation vegetables, and "Beauty Bloom Botanical" candles. The "Home Fragrance" candles are sold in iced tea/lemonade glasses, champagne flutes and sherbet glasses. The "Spring Hydrangea" candles were round containers filled with imitation flowers.

Bath & Body Works and The White Barn Candle Co. stores nationwide sold these candles from June 1999 through January 2001 for between \$15 and \$25.

Consumers should stop using these recalled candles immediately and return them to any Bath & Body Works and The White Barn Candle Co. store for store credit for the price of the candle and a \$5 coupon, or for a cash refund.



### Lighter Recalls

Fleetwood EXIM Inc. recalled about 950,000 disposable cigarette lighters. The lighters have child-resistant mechanisms that do not work. Young children could ignite the lighters, presenting fire and burn hazards.

The disposable cigarette lighters being recalled are oval tube shaped with a roll and press type ignition mechanism. The lighters have a blue, orange, red or clear transparent case and a chrome metal windshield surrounding the flame port. Stamped into one side of the windshield is the brand name "youie".

Another lighter recall is from Double L Inc.. They are recalling 180,000 multi-purpose lighters. These lighters can leak butane when they are ignited, causing an excessive burst of flame. This presents a risk of fire and burn injuries to consumers.

The lighters are 10 1/2" long and were packaged in a cardboard display sleeve under the brand name "DIY". The brand name is not on the lighter. The lighters have a black handle, red plastic trigger and on/off switch, and a silver colored metal barrel.

Consumers should stop using both of these recalled lighters immediately and return them to the store where purchased.



## Success with Washing Machine Hoses

This letter came from Austin Marlin. Thanks Austin!

"The Hartford's San Antonio Personal Lines Claim Service Center (SAPLCSC) started using DPI a few years ago after going through your training seminar. Prior to the seminar we had been working under the assumption that the washing machine hoses that were causing damage to our customers homes were just wearing out. Little did we know that the hoses were manufactured defectively.

Since we began using DPI, The Hartford SAPLCSC has recovered thousands of dollars that we would not normally have recovered. DPI has helped The Hartford to increase profitability and customer satisfaction."

If you have successful subrogation stories you would like to share with this column, DPI would love to hear from you. Email your stories to [renee.heimerman@dpi-inc.com](mailto:renee.heimerman@dpi-inc.com).

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# Client List

**DPI's primary clients are insurance companies, including:**

Allstate Insurance	National Mutual
Amica Insurance	One Beacon
Appalachian Claim Services	Professional Public Adjuster, Inc.
Bankers Insurance	Post & Schell, P.C.
Bankers Security	Prudential Insurance
Bausley & Associates	Property JUA Services
C.J.W. Associates	Purofirst Midsouth Insurance
Claim Solutions Services, Inc.	Reliance Insurance
C.N.A. Insurance	Residential Warranty
C.S.A.A.	Republic Insurance
Crawford and Company	Rimkus Consulting
Curley & Associates	Safeco Insurance
Elliot Claims Service, Inc.	Scottsdale Insurance
Farmers Insurance	Schaeffer Engineering
Fire & Arson Investigation Consultants, Inc.	Selective Insurance
Fire Service Restoration	SCS & Associates
Fireman's Fund Insurant	Shepard, Filburn & Goodblatt, PA
First Floridian (Travelers)	Servpro, Inc.
Florida Farm Bureau	State Farm Insurance
Frontier Adjusters	Southern Family Insurance
Grotefeld & Denenberg, L.L.C.	The Johnson Group
Hartford Insurance	T.I.G. Insurance
Langham & Associates	Travelers Insurance
Kentucky National Insurance	Totura & Company
McDonald, Tinker, Skaer	USAA Insurance
Liberty Mutual	United Pacific Insurance
Nationwide Insurance	Zurich American
Morrison, Mahoney, & Miller	Westfield Companies
Northfield Associates	

