



Case Study: Maschinenfabrik Reinhausen

Remote maintenance based on IoT technology – Munich Re covers availability guarantee for transformers

The case

Maschinenfabrik Reinhausen is a leading company in the area of control systems for industrial transformers. Together with Munich Re, it has created a new offering – an individual maintenance service based on real-time maintenance data via Internet of Things (IoT).

The challenge

Industrial transformers are large electrotechnical components that are crucial for power supply. Utilities and the industry use them to transform voltage. Any outage results in expensive interruptions of operations. Real-time monitoring via IoT-sensors enables malfunctions to be identified and remediated at an early stage. However, customers do not always have sufficient confidence in IoT-supported solutions because some have little experience with the technology.

The solution

The answer to this challenge is a maintenance service combined with an availability guarantee, which is currently unique in the market. To achieve this, Munich Re IoT underwriters, together with engineers from the US subsidiary Hartford Steam Boiler, performed a due diligence of Maschinenfabrik Reinhausen's maintenance service. The result of the due diligence was positive, and Munich Re has deployed an innovative insurance concept to cover the availability guarantee given by Maschinenfabrik Reinhausen.

The availability guarantee covers unexpected downtime of transformers to limit costs for the operator. The customer receives indemnification if a transformer stops working despite remote monitoring and regular maintenance, and if the downtime exceeds a pre-defined threshold. With the insurance-backed guarantee, customers can gain confidence in the IoT technology as they receive compensation if the promised availability is not maintained. The operators of the transformer leave the maintenance to the experts from Maschinenfabrik Reinhausen and concentrate on their core business.

The pilot market for this innovative service is South Africa, where Maschinenfabrik Reinhausen's subsidiary, Hypower Heavy Current Maintenance, is offering it. The local insurance partner is Hollard Insurance Company. Further projects of this kind are planned for other markets in the next few years, including projects for the USA and the Middle East.

The benefits of the availability guarantee at a glance

- New business opportunities: Maschinenfabrik Reinhausen appears as a premium provider of maintenance work. It supports their promise of availability with an insurance-backed guarantee.
- Trust: The guarantee creates confidence in the IoT solution as compensation is paid for related downtime. This unique feature serves as a valuable differentiator from the market and provides an important sales argument in discussions with customers.
- Balance-sheet protection: The cover for the guarantees provided by Munich Re via Hollard Insurance Company relieves Maschinenfabrik Reinhausen's balance sheet, enabling it to offer its service to a large number of customers.

Munich Re profile

Munich Re is one of the world's leading providers of reinsurance, primary insurance and insurance-related solutions. It has a high capacity for innovation and is playing a major part in driving forward the digital transformation of the insurance industry.

Maschinenfabrik Reinhausen profile

Maschinenfabrik Reinhausen GmbH is world market leader in the manufacture of control technology for transformers, in particular tap changer and voltage regulation. It is also a premium provider of maintenance services for transformers, offering a one-stop shop for all maintenance-related issues.

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