



LOSS BULLETIN

EQUIPMENT BREAKDOWN LOSS

Line Surge Following Restoration of Power Damages
C.N.C. Machine



Risk Solutions

Loss Bulletin
Number 17

**The Boiler Inspection and
Insurance Company of Canada**

www.biico.com

At approximately 4:30 a.m., the plant experienced a complete power outage. Hydro was contacted and confirmed that it was a hydro supply problem. When the operator tried to start the machine, an alarm indicated a problem. The next day when the operator attempted to use the machine again, the same alarm sounded; however, this time the alarm could not be cleared. The contractor was called about the alarm and determined that an amplifier was burnt. A new amplifier was installed. Upon restart, the alarm did not sound, but the machine would not run. It was then determined that the power supply was also burnt out and needed replacement. Damage to the machine's components was later attributed to a line surge.

Loss Details

Nature of Business:
Aircraft component manufacturer
Type of Equipment:
Computer numerically controlled
(C.N.C.) machine
Age of Equipment: 6 years

Final Loss Settlement Amount:
Property damage - \$10,000.00
Extra expense - \$5,000.00
Total - \$15,000.00



HSB BI&I