



LOSS BULLETIN

EQUIPMENT BREAKDOWN LOSS

Operator Error Causes Million-Dollar Loss



Risk Solutions

Loss Bulletin
Number 22

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

www.biico.com

During the third shift of the day, the press operator was involved in maintenance of the cylinder assembly. With the machine shut down, the assembly was dismantled and the cutting blade was repaired. The operator then started to reassemble the unit, and finger-tightened the assembly, but was called away from this task. When the operator returned, he failed to use the appropriate tool to secure the screws. The unit was restarted, production resumed, and the screws came loose, resulting in the assembly coming in contact with the cylinder. The resulting damage caused a complete shutdown of the press.

The cylinder replacement from Japan took approximately six weeks to obtain and reassemble. The insured was able to use a competitor to complete the order.

Loss Details

Nature of Business: Printer
Type of Equipment: Printing press
Age of Equipment: 9 years

Final Loss Settlement:
Property damage - \$525,000
Business interruption - \$550,000
Total - \$1,075,000



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