



# LOSS BULLETIN

## EQUIPMENT BREAKDOWN LOSS

Power Surge Causes Total Telephone Failure



### Risk Solutions

**Loss Bulletin**  
Number 3

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

[www.biico.com](http://www.biico.com)

On a long weekend in May, the insured experienced a total telephone system failure due to a foreign power surge. Extensive damage was caused to a number of major components, requiring the installation of new replacement equipment. The repair company could not pinpoint the actual cause of the surge; however, lightning was ruled out as a possibility as no electrical storms were reported at the time of loss.

The system was down for one working day. Employees were able to conduct business using cellular phones.

### Loss Details

**Nature of Business:** Real estate developer  
**Type of Equipment:** Telephone system equipment (rectifier, tape unit, CPU & SDI, 6 line cards and 2 trunk cards)  
**Age of Equipment:** 4 to 5 years

**Final Loss Settlement Amount:**  
\$39,215.00



HSB BI&I