



LOSS BULLETIN

EQUIPMENT BREAKDOWN LOSS

Power Surge Burns Out Hotel Air Conditioning Units



Risk Solutions

Loss Bulletin
Number 8

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

www.biico.com

Guests complained about 32° heat when several “window type” air conditioning units failed to work.

Electricity in the hotel had just been restored following a brief power interruption. Our investigation revealed that with the return of electrical service came a power surge that damaged 18 air conditioning units.

The contractor had difficulty locating new units on short notice because the area was in the midst of a late summer heat wave and supplies had become depleted.

Loss Details

Nature of Business: Hotel/motel
Type of Equipment:
18 small air conditioning units plus
a water circulation pump motor
Age of Equipment: 17 years

Final Loss Settlement Amount:
Physical damage – \$18,005.33
Business interruption – \$546.30
Total – \$18,551.63



HSB BI&I