



## LOSS BULLETIN

### EQUIPMENT BREAKDOWN LOSS

Hot Water Storage Tank Experienced  
Over-Pressure Condition



#### Risk Solutions

**Loss Bulletin**  
Number 14

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

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

At this popular laundromat the fired hot water storage tank experienced an over-pressure condition and the hand-hole cover blew off. The force from the steam and water discharged from the tank blew the tank about 20 feet from its installed location. The tank and steam knocked down walls and ceiling tiles and damaged numerous washers and dryers. Two people in the laundromat were treated in the hospital for minor cuts and bruises.

Control failure caused this over-pressure condition. The hot water storage tank developed excessive pressure until the welds between the shell and the hand-hole flange sheared. The safety valve did not function to relieve the excess pressure. The time required to repair the building and equipment was 30 days. Business interruption coverage was not purchased.

#### Loss Details

**Nature of Business:** Laundromat  
**Type of Equipment:**  
Hot water storage tank  
**Age of Equipment:** 8 years

**Final Loss Settlement Amount:**  
Property damage - \$30,000.00  
Equipment - \$25,000.00  
Total - \$55,000.00



HSB BI&I