



Freezer breakdown results in major spoilage loss Equipment breakdown loss

HSB Canada, part of Munich Re, is a technology-driven company built on a foundation of specialty insurance, engineering, and technology, all working to drive innovation in a modern world, to keep you ahead of risk.

Food wholesaler's freezer breakdown causes large spoilage loss

The insured, a food services wholesaler with a large stock of frozen goods, experienced a 4-hour refrigeration outage due to the breakdown of its freezer compressor.

Although the insured rented a cold storage unit to try to save as much product as possible, almost 40 percent of its total inventory, mostly seafood, had to be written off as spoilage.

The investigation revealed that a valve inside the compressor was completely clogged up. This caused the system to overwork itself to the point that it began overheating and it eventually broke down. The compressor required repair.

Insured losses

- Direct damage: \$16,000
- Spoilage: \$128,000