



## Equipment breakdown loss

### Hot water storage tank experienced over-pressure condition

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.

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 overpressure 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

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[hsb.ca](http://hsb.ca)

These examples summarize actual and possible losses and coverage.

For all terms, conditions and exclusions, consult the actual policy.

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