



Farm equipment breakdown Loss bulletin

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.

Million dollar business interruption loss caused by arcing damage to switch A switch to a commercial greenhouse's air compressor suffered an electrical breakdown due to arcing. Resulting losses included significant damage to crops and lower yields to surviving plants.

- Direct damage paid: \$359.11
- Business interruption: over \$1,000,000

Greenhouse pH sensor: small item, big loss

The failure of an electronic pH sensor resulted in irrigation water becoming too acidic. As a result of the corresponding increase in the acidity

of the soil being irrigated, there was reduction in the yield of the crops being grown, which in this case were tomatoes and green peppers.

- Direct damage paid: \$250
- Business interruption: \$43,423
- Total: \$43,673

Feed yard water pump

Two 50 horsepower water pumps for a cattle feeding operation shorted due to a high voltage surge. The pumps were used primarily to water cattle, but also supplied water to the feed mill, boiler, and for other uses.

- Direct damage paid: \$28,300

Poultry farm generator

A power outage triggered an emergency generator to go into operation. After five minutes of operation the water pump on the 200kW generator's engine failed. The loss of coolant led to the engine overheating and an electrical breakdown of the generator. This farm had ten chicken houses, and due to lost electrical power and ventilation, over 120,000 birds died.

- Direct damage paid: \$54,200
- Business interruption: \$44,905
- Total: \$99,105

Milk storage tank

A Freon leak was discovered on a 10,000 litre milk storage tank. The leakage occurred at the welds between the inner and outer liners of the tank. The entire tank was replaced.

- Direct damage paid: \$42,400.

Dairy farm electrical equipment

While new, utility-owned electrical equipment was being installed, a short circuit occurred. The short sent a surge through the insured's incoming power line, burning out several pieces of electrical equipment. The surge severely damaged a weight scale used to weigh in dairy trucks.

- Direct damage paid: \$31,800.

Winery

A leak was discovered in one of the two main coils of a 54 tonne refrigeration system used to chill a winery's fermentation tanks.

- Direct damage paid: \$27,360.

Wet crop irrigation

A voltage surge on the incoming electrical supply caused extensive damage to a variable frequency drive controller, used to operate the irrigation pump for a farm.

- Direct damage paid: \$42,850

Maple sap vacuum extractor

A check valve on the piping broke at a pin. This allowed coolant (anti-freeze) to mix into the maple sap. Approximately 1600 litres of maple syrup were lost.

- Direct damage paid: \$2,875
- Spoilage: \$20,000

Dairy farm refrigeration

A low voltage condition on an incoming power line caused a

30 horsepower refrigeration compressor to overheat and fail. Three compressors were used to keep the milk cool. The low voltage also caused the refrigeration system's controls to burn out. Luckily, no milk product was lost.

- Direct damage paid: \$21,095

Grain mill

The 200 horsepower drive motor for a leg elevator burned out by an apparent voltage surge. Some of the soft start motor controls were also damaged by the surge. A rented crane was required for repair access.

- Direct damage paid: \$23,476
- Extra expense \$5,000



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These examples summarize actual and possible losses and coverage.

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

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