



Line surge following restoration of power damages C.N.C. machine

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.

At approximately 4:30 a.m., the plant experienced a complete power outage. Hydro was contacted and confirmed that it was a hydro supply problem. When the operator tried to start the machine, an alarm indicated a problem. The next day when the operator attempted to use the machine again, the same alarm sounded; however, this time the alarm could not be cleared. The contractor was called about the alarm and determined that an amplifier was burnt. A new amplifier was installed. Upon restart, the alarm did not sound, but the machine would not run. It was then determined that the power supply was also burnt out and needed replacement. Damage to the machine's components was later attributed to a line surge.

Loss details

Nature of Business:

Aircraft component manufacturer

Type of Equipment:

Computer numerically controlled (C.N.C.) machine

Age of Equipment:

6 years

Final Loss

Settlement Amount:

Property damage - \$10,000.00

Extra expense - \$5,000.00

Total - \$15,000.00

HSB Canada

390 Bay Street, Suite 2000

Toronto, ON M5H 2Y2

Tel.: (416) 363-5491

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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