



## Power surge causes total telephone failure 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.

On a long weekend in May, the insured experienced a total telephone system failure due to a foreign power surge. Extensive damage was caused to a number of major components, requiring the installation of new replacement equipment. The repair company could not pinpoint the actual cause of the surge; however, lightning was ruled out as a possibility as no electrical storms were reported at the time of loss.

The system was down for one working day. Employees were able to conduct business using cellular phones.

### Loss details

**Nature of Business:**

Real estate developer

**Type of Equipment:**

Telephone system equipment (rectifier, tape unit, CPU & SDI, 6 line cards and 2 trunk cards)

**Age of Equipment:**

4 to 5 years

**Final Loss**

**Settlement Amount:**

\$39,215.00

**HSB Canada**

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

These examples summarize actual and possible losses and coverage.

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