



LOSS BULLETIN

EQUIPMENT BREAKDOWN LOSS

Popular Motel in Cottage Country Suffers Damage from Power Surge



Risk Solutions

Loss Bulletin
Number 19

**The Boiler Inspection and
Insurance Company of Canada**

www.biico.com

On a summer day in August, a massive power surge hit the area, damaging phone equipment at this popular motel. The motel was without power for approximately eight hours. When power was restored, the insured discovered that the phone system was severely damaged. Because of the accident, the phone system was no longer capable of accepting outside calls and the wake-up function no longer worked. The insured suffered a business interruption with guests staying for their first night, then moving to alternate facilities for subsequent nights. As well, the insured had to hire an individual to visit each room to provide a wake-up service.

The equipment was 15 years old and was no longer manufactured, so the entire phone system, including system console and 48 units for each room, was replaced.

Loss Details

Nature of Business: Motel
Type of Equipment:
Phone system including 6 lines, front desk console, and 48 phone units
Age of Equipment: 15 years

Final Loss Settlement:
Property damage - \$12,555.00
Business interruption - \$7,797.00
Total - \$20,352.00



HSB BI&I