

Bats in the Telephones, Birds on the Wires

THE INSURANCE PROFESSIONAL



Although there are many causes of equipment breakdowns, accidents involving animals always get people's attention. You might be surprised by how many breakdowns are caused by animals and how much the damage can cost.

PESTS IN NESTS

Electrical equipment is exposed outdoors, or in cellars and conduits. Boilers in basements and rooftop air conditioning units also attract birds, rodents and other pests, which can short out connections as they move about or nest in equipment.

SQUIRRELS AND SNOW CONES

Some of the losses caused by animals are offbeat, but on the mark when it comes to explaining the financial risks. Equipment can break down for many reasons - many of which you don't expect and can't control. It's important to add broad equipment breakdown coverage from BI&I.

- **Snake Shuts Down City.** A snake squeezed into a breaker box in a municipal utility substation, knocking out power to a city in a \$342,707 equipment breakdown loss. Damage from electric arcing was so severe that temporary rental equipment was brought in to restore service. **The paid loss included \$260,954 for repairs and \$81,754 for lost income.**
- **Bat Escapes, Lawyers Not Talking.** When the telephone system in a law office went down, a technician began troubleshooting by opening the equipment cabinet on the voice processor. He heard a strange sound and a bat flew out of the console. The animal had somehow become trapped and shorted out the system's circuitry, resulting in a **\$4,800 paid equipment loss.**
- **No Horsing Around.** A horse being treated for a leg injury kicked the head of a shockwave therapy machine.

The veterinarian said sparks later shot from the machine, which is used to help animals heal broken bones and connective tissue. A new machine coil, transducer and therapy head had to be shipped from Switzerland as the **paid loss totaled \$35,270.**

- **Birds On The Wires.** Birds flew into high voltage lines connected to transformers for a community building complex, disrupting the power supply and damaging 14 rooftop air conditioning units. Extensive repairs were necessary for a **paid equipment breakdown loss of \$203,789.**
- **Squirrel Chills Ice Sales.** A squirrel shorted out a utility transformer and caused power to fluctuate inside a nearby service station and mini-mart. The accident damaged a snow cone ice shaving machine and a beer cooler's refrigeration compressor. **The paid claim totaled \$1,340.** ●

RECENT PAID CLAIMS

Car Wash Closed

An underground electrical cable that supplied power to a car wash shorted out and had to be replaced. The car wash was closed for 10 days until repairs were completed.



Repair Cost	\$24,302
Business Interruption	\$11,617
Total Paid Loss	\$35,919

Lube Lacking

Two compressors for refrigerated food cases were damaged in a grocery store when moving parts broke. The accident occurred when the oil cooler ruptured and there was no lubrication. The compressors were replaced and the oil cooler was repaired.

Total Paid Loss	\$22,214
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Backup Boiler

A boiler serving an office building overheated due to a low water condition. The property manager was able to provide heat for the building using a second boiler until the damaged unit was replaced.

Total Paid Loss	\$58,000
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Parts Clear Customs

The rack lift shaft on a bakery oven wore until it twisted and snapped. Bronze shavings in the gear box caused further damage. Bread and pastry dough spoiled and the baker lost income while awaiting replacement oven parts shipped from Italy.



Repair Cost	\$2,900
Perishable Goods	\$7,193
Business Interruption	\$17,294
Total Paid Loss	\$27,387

KNOWLEDGE IS POWER

Air Conditioning Breakdowns Can Leave Your Insureds Feeling Burned

BI&I's Equipment Coverage Pays for Repairs, Lost Income, and More

With the summer heating up, a high-rise office center lost its air conditioning when a power cable shorted out and damaged pumps and motors. It was the July 1st long weekend and it wouldn't be easy to complete repairs. Crews worked through the holiday as parts, labour and extra expense pushed the paid loss ended up being \$119,256.

AC LOSSES ON THE RISE

May, June and July are peak months for losses to air conditioning equipment. Although there are several contributing factors to these losses, starting the cooling season with a dirty condenser or poor quality lubrication is a sure way to decrease system performance and increase

chances for equipment breakdowns during periods of high cooling load. In addition to the high cost associated with replacing a motor/compressor unit, you may experience delays in repairs during the peak months, as local service contractors are likely to be busy.

POWER SURGES, BROKEN PARTS

Most AC breakdowns result from electrical damage to driving motors and broken mechanical parts in compressors. BI&I's claim analysis found that power surges and other electrical line disturbances are a primary cause of loss.

A COMMON EXPOSURE

AC losses can top \$100,000 or more in large buildings such as office towers,

medical facilities and shopping centers. Breakdowns are also costly for smaller businesses, restaurants, or homes with built-in air conditioning systems

- BI&I recently paid a church \$42,600 for electrical damage to air conditioning compressors, fan motors and controls.
- The cost of renting two portable compressors for a 14-story office building was included in a \$189,543 paid claim.
- Extensive damage was caused when a school's 261 hp centrifugal chiller continued to run without oil, resulting in a \$103,545 paid loss.
- A township collected \$45,191 after a surge shorted out AC compressors. ●



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