

Help Your Clients Spot “Red Flags” in the Boiler Room

THE INSURANCE PROFESSIONAL



Here are some red flag indicators of problems that can result in expensive repairs and lost business income. Share this information with your clients.

Where are the lights?

When a boiler room is poorly lit, or does not have any lighting, how can it be assumed that anyone is taking care of the equipment?

A boiler room is not a storeroom

When a boiler room is cluttered, routine visual examination and servicing of the equipment is in serious doubt. Boilers and their supporting machinery, controls, piping and valves need to be checked and maintained regularly.

Where's the certificate?

In general, jurisdictional boiler operating certificates are required to be posted near the equipment, similar to the certificates that you see in most elevators. If it has expired, BI&I can inspect a boiler without additional charge (in those Provinces that accept insurance company inspections).

Open control panels

A key indication that something may not be quite right is to see any of the

following: an open boiler control panel; the boiler access panel removed; the electrical junction box covers missing; or the boiler circuit wiring in disarray.

Wet floors

Water may come from storm water runoff or drain backup and not be caused by an equipment or system leak. But it points out there is a high moisture concentration. Keep floor drains clear. The drier the area, the more likely someone will care for the boiler.

Cobwebs everywhere

There may be so many cobwebs and so much dust on and around the boiler that you know instinctively that no one is looking at the equipment. Poorly maintained boilers probably won't provide the service you expect.

Discarded parts

Do you see discarded parts such as old controls, valves and cans of chemicals on the floor or on top of the boiler? That can be an indication of poor quality make-up

water, dirty or rusty piping, leaks or other poor maintenance practices.

How to “sense” trouble

Use all five senses to check for red flags. Does the boiler sound strange or different? Are there unusual odors in the boiler room, such as the smell of gas or oil? Is the air extremely dry or moist, or have a sulfur, sooty, or smoky “taste?” Do you feel excessive vibrations in the machinery, or is the motor too hot to touch? Look for indications of poor maintenance, housekeeping or operation.

Logs and manuals

Ask maintenance personnel for a look at the boiler logs and operating manual. Are they unable to produce them? If they are embarrassed, they should be. Maintaining equipment logs helps to avoid being surprised by slowly developing conditions.

By recognizing these “Red Flags”, your clients may avoid some cold nights and expensive repairs. ●

RECENT PAID CLAIMS

Cold Cuts

Water seeped through deteriorated insulation on a feeder bus and caused arcing, which knocked out power and damaged refrigeration compressors in a meat packing plant. Generators were rented to prevent spoilage of \$4 million in product.

Repair Cost	\$49,894
Extra Expense	\$69,498
Total Paid Loss	\$119,392

Oh Cod!

A fish processing plant had 4.5 million pounds of cod at risk when a flange on a suction strainer in the refrigeration system broke and 500 pounds of ammonia leaked into the cold storage room. Workers managed to save or salvage most of the fish.



Total Paid Loss \$96,018

PEOPLE KEY TO REDUCING RISK

“An Alien Space Ship Landing On The Factory Floor”



As equipment becomes more complex, human behavior can play a big role in unexpected breakdowns. Technology has advanced so far and so fast that it threatens to outpace the ability of many people to understand the equipment they use. Workers can be intimidated and overwhelmed. One observer even likened the arrival of a new production machine to “an alien space ship landing on the factory floor.” At the same time, budget cuts are squeezing funds to

train employees in the proper operation and maintenance of equipment. They can't always tell when something is going wrong. Even when they do, they may be uncertain and wait too long to act. The result can be an equipment breakdown that interrupts or shuts down operations. Sometimes our clients learn this lesson the hard way.

Losses can be costly

- A medical center had a power outage. Several hours later, an MRI machine made an unusual noise when it was turned on. Instead of turning it off, the flustered operator called the service company. A technician told him to shut down the MRI, but it was too late. Condensation on the magnet and connections had shorted out the sensitive machine. **Total paid loss: \$635,499.**

- A plastics manufacturer won a contract to make a quarter-million lids and finish assembling cups for sale in gas stations. It was a new operation for the shop and the operator of the injection molding press placed the unfamiliar die in backwards. The improper installation stripped the teeth off the machine's gear, broke the shaft and destroyed the bearings.

Total paid loss: \$30,098.

- In an ethanol plant, the relief valve to an emission scrubber was closed and a half hour later a fermentation tank split. The owner speculated that excessive carbon dioxide pressure had built up. He wasn't sure. The equipment was the latest technology.

Total paid loss: \$29,788. ●



Head Office

250 Yonge Street, Suite 3000, Toronto, Ontario, M5B 2L7

Route to: