Equipment Breakdown for Mutual Boiler Re Factories

Factories come in all shapes and sizes and can include a broad range of manufacturing processes, such as fabrication, machining, assembly, finishing, injection molding, cutting, etc. They can also include office, maintenance and warehouse areas.

Some raw materials and finished products are sensitive to temperature, humidity and heat and must be stored in a conditioned space. Loss of HVAC or electrical service for even short periods can have a serious impact on business operations and income.

Electrical breakdown is the most frequent type of loss as a result of power surges and arcing, which can damage sensitive electronic components found in most equipment. This can lead to significant property damage and interruption of normal business operations for days until repairs can be made or replacements installed. Mechanical breakdown is of similar concern with building systems and permanently installed production equipment.

Exposures

- Machining Centers
- Injection Molding Machines
- Heat Treating Furnaces
- Hydraulic Presses
- Mechanical Presses
- Robotics
- Pumps
- Cooling Towers
- Dust Collection Systems
- Pollution Control Equipment
- Electric Motors (AC, DC)
- Distribution Transformers

Typical Losses

An operator incorrectly programmed a CNC machine causing the spindle to crash into the stock. Due to the extended repair schedule, replacement coverage was provided to avoid business income loss.

Property Damage: $25,500

The waste oil boiler overheated due to low water conditions. Due to the extent of overheating, repairs could not be repaired. A temporary boiler was rented to continue operation.

Property Damage: $13,000
Extra Expense: $2,500

Loss Prevention Tip

Develop a maintenance schedule that includes lubrication of machinery. Components like spindles, bearings, gears and slides should be properly lubricated per manufacturer guidelines. If components are automatically lubricated, delivery pumps and valves should be checked periodically.

Mutual Boiler Re®

Member of the FM Global Group