

Equipment Breakdown for Mutual Boiler Re Restaurants



Restaurants provide a wide range of cuisine from fast food to gourmet. Even though restaurants are located in urban, suburban, or rural communities, one thing they have in common is exposure to equipment breakdown. Unplanned events, such as equipment breakdown, can have an adverse affect on the profitability of a restaurant.

In addition to boilers and pressure vessels, mechanical and electrical breakdowns are prevalent causes of property damage and often lead to business interruption or increased operational costs. Heating and air conditioning equipment is critical for the comfort of guests. Additionally, valuable food products can spoil when refrigeration compressors or electrical equipment malfunctions. Service interruption is provided for loss of the electrical service; however, the loss of water or other services can create equally severe business interruption losses.

Typical Losses

A power surge caused electrical damage to the walk-in freezer and point of sale system at a restaurant. All products within the walk-in freezer spoiled. A replacement compressor was installed in the walk-in cooler. Due to lack of available parts, the point of sale system was replaced.

Property Damage:	\$8,500
Spoilage:	\$5,200

The control board supporting the forced air system shorted. Without heat, the restaurant closed until repairs could be completed.

Property Damage:	\$1,200
Business Interruption:	\$9,200

Exposures

- Motors
- Transformers
- Switchgear
- Lighting Systems
- Communications Equipment
- Boilers
- Refrigeration Units
- Air Conditioning Units
- Compressors
- Pumps

Loss Prevention Tip

Remove accumulation of oil, grease, and dust covering electric motors and compressors to help this equipment get rid of heat build-up and operate more efficiently and extend their reliability.