



Equipment Breakdown Warehouses



Public warehousing provides storage services to manufacturing, wholesale, retail and consumer markets and is responsible for preserving the market value, quality and original function of goods by protecting them from outside elements. These facilities store production overruns, scrap materials for recycling, surplus goods, obsolete goods or supplies for disaster relief coordination efforts. For regions where weather is hot or humid, climate controlled storage between 65-70°F is used to maintain the integrity of stored items. If air conditioning equipment becomes inoperable due to mechanical or electrical damage, it may lead to spoilage, damaging the items being stored in the warehouse.

Electrical breakdown is the most frequent cause of loss at warehouses. Resultant damage from electrical arcing occurs to switchgears and motors due to power surges and electrical arcing. Mechanical breakdowns most often affect air conditioning compressors, fans and pumps. Since most facilities run 24/7, dependable operation of this equipment is important for continued business operation.

EXPOSURES

- Air Curtains
- Balers/Compactors
- Conveyor Systems
- Data Servers
- Dust Collection Systems
- Emergency Generator Sets
- Freight Elevators
- Hydraulic Dock Lever/Lift
- Lighting Systems
- Packaging Machines
- Printers
- Roll-Up Bay Door Openers
- Space Heater Units
- Warehouse Sound System

Typical losses

The compressor supporting the rooftop air conditioning system unit was damaged due to an internal mechanical breakdown. Due to parts availability, replacement was necessary.

Property Damage: \$18,500

A conveyer belt production machine had a gear motor sustain electrical damage after an outage. The power supply and several relays required replacement. Due to the extended repair period, business income was lost.

Property Damage: \$7,200

Business Interruption: \$9,150

LOSS PREVENTION TIP

Keep electrical panels free of dust and debris. Accumulation of debris inside an electrical panel can lead to electrical arcing that can cause smoke damage to the building and may lead to a fire event.