

Equipment Breakdown Lessons Learned Craft Breweries and Craft Distilleries

Although equipment breakdown insurance is one of the best coverage, service and price values in the industry, some business owners and operators continue to skimp on or do without this vital protection. We cover breakdowns to a wide array of mechanical and electrical equipment. If it plugs in, it's probably covered.



Read our loss examples to learn more about the scale and variety of equipment breakdown losses which impact craft brewery and craft distillery operations every day.

<p>An employee at a local craft brewery accidentally over-pressurized a 2,000 gallon steel vat causing the tank to rupture. The brewer typically adds carbon dioxide to pressurize the stainless steel vats to approximately 5 psi. The tank experienced a breakdown after being pressurized to nearly 35 psi. Beyond the parts and labor expenses to repair the tank, claim payment also included the travel expenses of the manufacturer performing the repairs.</p>	<p>Loss:</p> <ul style="list-style-type: none"> Property Damage - \$13,870
<p>A spent barley storage tank experienced a breakdown due to pressure buildup from overfilling. When the storage tank was emptied each week, employees did not confirm the tank was completely empty upon completion. Eventually, the tank level increased and overfilled to the point the atmospheric vent became clogged. Pressure then built up and the top head of the tank ruptured in several places.</p>	<p>Loss:</p> <ul style="list-style-type: none"> Property Damage - \$7,870
<p>A power surge at a microbrewery caused an electrical breakdown of their custom-made glycol chiller system. Because the compressor needed replacement, and not the entire system, the brewer avoided a business income loss. However, the policyholder experienced resulting spoilage damage (foam loss) to their stored beer product due to the loss of cooling service.</p>	<p>Loss:</p> <ul style="list-style-type: none"> Property Damage - \$9,365 Spoilage Damage - \$7,200
<p>Several holes in two steel drums of a water tube boiler caused the breakdown of the entire system. The small brewer's boiler equipment was used to provide steam for their production process, and lost production could not be made up with overtime (24/7/365 operation). Because little maintenance was performed on this equipment, Risk Control offered preventative maintenance guidance to help minimize future risk of loss.</p>	<p>Loss:</p> <ul style="list-style-type: none"> Property Damage - \$14,299 Extra Expense - \$41,519

Think**PHLY** | 800.873.4552 | **PHLY.com**

Philadelphia Insurance Companies is the marketing name for the insurance company subsidiaries of the Philadelphia Consolidated Holding Corp., a Member of the Tokio Marine Group. Coverage(s) described may not be available in all states and are subject to Underwriting and certain coverage(s) may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds. | © 2015 Philadelphia Consolidating Holding Corp., All Rights Reserved.