

DETAILS OF INTERESTING CLAIM

(From Insurance for Semiconductor Plants during Construction and Operation - IMIA Paper WGP4 (99)E)

No: DOIC26 (EAR)

Type of Insurance:

EAR

Description of damaged item:

Fire during repair work on polypropylene pipes spreading to other areas via the exhaust ventilation system

Cause of Loss:

(5) Fire

Claim Cost

350 US\$ Mio

Description of Incident and Loss Prevention Measures initiated:

During the replacement of parts of the acid toxic exhaust pipe ducts made of polypropylene, a fire broke out and could not be brought under control. The flames spread to other floors via the exhaust system and severely damaged supporting, as well as production areas. This incident was the most expensive single loss in the semiconductor industry to date. The loss amount of USD 350 million was split and allocated 75% to Property and 25% to Engineering covers according to the values of the equipment handed over from construction to operational covers. In this case, repair works within an operational plant were carried out. Important to note is that the fire-fighting operation was further complicated by the reluctance of the fire brigade to enter a building containing large quantities of highly explosive and toxic substances.

Severe fire damage to all areas of the plant

NT \$ 10 Bio (US\$ 350 Mio) for EAR (25%) and Property (75%)

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CODES

1. Type of Insurance

M - Machinery Breakdown

BE - Boiler Explosion

LP (M) M - Loss of Profits

ALOP (DSU) - Advance Loss of Profits

EAR - Erection All Risks

CAR - Contractors All Risks (Civil)

G - Guarantee

EE - Electronic Equipment

O - Other Classes

2. Cause of Loss

- (1) Faulty operation
- (2) Faulty material or workmanship
- (3) Faulty design
- (4) Other internal causes
- (5) Fire
- (6) Explosion
- (7) Storm
- (8) Earthquake
- (9) Other external causes
- (10) Other causes or unknown