

DETAILS OF INTERESTING CLAIM

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

No: DOIC24 (EAR)

Type of Insurance:

EAR

Description of damaged item:

50 t crane hits power cable of existing plant during construction of extension causing a shutdown

Cause of Loss:

(2) Faulty material or workmanship

Claim Cost

1 US\$ Mio

Description of Incident and Loss Prevention Measures initiated:

50 t crane hits power cable of existing plant during construction of extension causing a shutdown

During the erection of an extension to an existing plant (project value close to USD 2 billion), the power supply to the plant under operation was cut. This caused the production process to stop. The owner of the plant claimed that the unplanned interruption had caused damage to wafers and chip packages and had also contaminated machinery. The EAR policy provided cover for "existing property" with a sub-limit of USD 5 million. The loss was finally settled at USD 1 million

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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