DETAILS OF INTERESTING CLAIM

No: DOIC 8

Type of Insurance:

EAR

Description of damaged item:

See below

Cause of Loss:

(use code)

2

Claim Cost (100%)

(Net of deductible or time excess)

5,000,000 Euro

Description of Incident and Loss Prevention Measures initiated:

A chemical waste treatment plant is a vital unit for the huge wafers manufacturing plant.

A 10 mm diameter plastic pipe broke and as a final consequence of the corrosion which occurred, most of the machinery had to be replaced

Outline the interesting or unusual aspects of this claim or problems experienced during settlement:

The Hydrochloric Acid header is fitted with a 10 mm diameter pipe to a pressure gauge.

The leak which occurred filled the retention pit, overflowed in the main wastes biological treatment plant through the concrete wall. Due to the high ventilation rate and the wet atmosphere, a huge corrosion occurred and most of the equipment and structures were corroded. 6 months after the loss, a stop corrosion team is still on duty as the decision was made not to stop the plant and avoid a loss of profit claim on the electronic company side and also to keep alive the bacteria used in the wastes treatment process.

aspects:

1° The plastic pipe was specified to be made of polyethylene. For unknown reasons, a polyamide material was used, which is not corrosion resistant to Hydrochloric Acid

2° The retention pit was undersized and not able to store 100% of the largest storage tank

3° the poor quality of the concrete allowed the acid to flow through the wall

4° the alarm transmission to the operator on duty did not work (radio transmission). The cause for that non operation is still being investigated

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