

Equipment Breakdown Coverage for Saw Mills

Saw mills process green tree logs of varying species into dimensional lumber. The types of logs harvested include ash, oak, beech, fir, pine, spruce, birch, poplar, maple, cottonwood, sycamore, alder, cherry and walnut, to name a few. Saw mills contain a variety of production, electrical, and mechanical equipment. The physical environment often contains excessive dust, dirt, and moisture. When equipment fails, the result is often property damage and business interruption. Equipment typically found at these facilities includes a range of different equipment used to resize, trim, sort and stack the wood.

Types of equipment include band mills, saws, debarkers, and other production machinery used to process the logs into dimensional lumber for eventual use in making furniture, cabinetry, home construction framing, bridges, windows, doors, fireplace mantels, architectural molding, pallets, fences and flooring. Ancillary support equipment such as dry kilns, steam turbine generators, hydroelectric generators and biomass boilers can also be found at these facilities, and can have an equal impact on production and business interruption in the event of failure. Several types of auxiliary and support equipment can also be present, such as compressors, pumps, gears, conveyor belts, blowers, electrical transformers and switchgear, which are all addressed with equipment

breakdown coverage. Failure of a dry kiln can result in a loss to the lumber inside depending on the species of wood, and residence time required to dry the wood to an acceptable moisture level.

Typical Losses

A structural frame component on a sash gang saw failed and fell into the machine while it was processing a cant. Replacement of the damaged components was completed in 12 days.

Property Damage: \$105,000
Business Interruption: \$40,000

The feed water pump failed to supply water to a 350-hp fire tube boiler used to heat the dry kilns. As a result, the boiler overheated causing severe internal damage to the boiler. While a replacement boiler was located, a rental boiler (extra expense) was installed resulting in a business income loss of one day.

Property Damage: \$140,000
Extra Expense \$10,000
Business Interruption: \$30,000

The flywheel hub on an eight-blade gang saw cracked causing damage to the crank pins and main shaft. The flywheel required 10 days to repair.

Property Damage: \$32,000
Business Interruption: \$11,000

Exposures

Boilers and Pressure Vessels

- Boilers
- Air Receivers
- Heat Exchangers

Mechanical Equipment

- Gang Saws
- Headrig/Band Mill
- Resaw
- Rosser-head Debarker
- Ring Debarker
- Edger
- Stackers
- Planer
- Profile Molder
- Grader and Bin Sorter
- Sash Gang Saw
- Grade Mark Scanner
- Steam and Hydro Turbines
- Motor/Generator Sets
- Log Carriage
- Air Compressor
- Engines
- Gear Sets
- Blowers
- Chains
- Sprockets
- Metal Detectors
- Tub Grinders
- Wastewood Chippers
- Conveyors
- Dry Kilns
- Baghouse

Electrical Equipment

- Motors
- Transformers
- Switchgear
- Grade Mark Scanner
- Circuit Breakers
- Electrical Cable
- Capacitor Banks
- Motor Control Centers
- Optical Log Scanners

Time Element

- Business Interruption
- Extra Expense
- Service Interruption

Class-Specific

- Consequential/Spoilage

