

Equipment Breakdown Coverage for Plastic Products Manufacturing

Plastic products manufacturing facilities have exposures that can be protected with equipment breakdown coverage. For example, an injection molding machine uses liquid plastic that is injected into a mold under heat and extreme pressure. A loss in this process would be protected with equipment breakdown coverage. Exposures in these facilities may come from boilers and pressure vessels, mechanical equipment, electrical equipment and production machinery. Electrical, mechanical, and production machinery are the sources of most losses. Plasticworking is performed on a variety of production machines, each uniquely suited to the product that is being manufactured. Finished products are made for a variety of industry segments including household, automotive, food processing, electronics, military and aerospace. A hybrid plastic parts manufacturing process which uses a blend of plastic pellets and powdered metal known as thixomolding may be present. Some plastic raw materials have a limited "shelf life" or are not stable

at room temperature, and must be refrigerated before being used in the production process. Spoilage loss as a result of inadequate refrigeration is a concern under this circumstance.

Typical Losses

Electrical breakdown of electronic data processing equipment caused the shutdown of an injection molding machine. The loss was a result of a utility company power surge on the plant's electrical system. Repair was expedited by express delivery of spare parts which averted a business interruption from this occurrence.

Property Damage:	\$2,800
Expediting Expense:	\$500

A 250-ton injection molding machine suffered cracks in two of the four tie rods. Consequently, the tie rods had to be replaced, and production could not be made up until repairs were completed two days later.

Property Damage:	\$20,000
Business Interruption:	\$12,000

Exposures

Boilers and Pressure Vessels

- Boilers
- Fired/Unfired Vessels
- Fired Water Heaters
- Air Conditioning Units

Mechanical Equipment

- Air Compressors
- Refrigeration Compressors
- Pumps
- Gears and Gear Sets
- Engines
- Bearings
- Molds
- Die Sets

Electrical Equipment

- Motors
- Emergency Generators
- Transformers
- Switchgear
- Servo Drive
- Switchboards
- Distribution Systems
- Communications Equipment
- Programmable Logic Controller (PLC)
- Computers
- Fax Machines
- Copiers

Production Equipment

- Injection Molding Machine
- Extruder
- Blow Molding Machines
- Blown Film Extrusion Line
- Blenders
- Pollution Control Systems
- Baghouse
- Granulator
- Thermoformer
- Rotomolder
- Pelletizer
- Robotics
- Packaging Equipment
- Thermal Transfer Printer

Time Element

- Business Interruption
- Extra Expense
- Service Interruption

Class-Specific

- Consequential/Spoilage

