

Hotel Business Turns Cold Over Boiler Damage

Loss details

Nature of business

Hotel

Type of equipment

Hot Water Boiler

Age of equipment

7 years old

The hotel was fully booked out when the hotel occupants complained that there was no hot water to their rooms.

Investigation into the main hot water boiler revealed that the heat exchanger was blocked and had caused hot exhaust (flue) gas to escape out into the electronic controls.

This resultant damage was deemed uneconomical to repair.

Being the main hot water boiler for 92 of the hotel's rooms, this presented a substantial business interruption concern.

An equivalent replacement boiler was quoted but carried a 7 week delay.

Instead, a slightly larger off-the-shelf system was purchased to significantly reduce their business losses, and the hotel was able to return to normal operation within just 10 days from the date of the breakdown.



Final loss

Settlement amount: \$53,046

Physical Damage: \$36,050

Business Interruption: \$18,044

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