

# TechTalk

EXPERT INSIGHTS FOR THE INSURANCE INDUSTRY  
Consulting Services | Equipment Restoration | Data Services | Equipment Salvage



Most commercial insurance policies do not cover flood damage, but they typically do cover wind-driven rain.

As an adjuster, how will you tell if water damage was caused by flooding or wind-driven rain this summer storm season?

Start with these basic questions:

**Does the equipment design allow for wind-driven rain to permeate?**

- Do you see louvered openings, exterior gaps or cooling/ventilation fans where rain could enter the equipment?
- Is equipment positioned in an area that is prone to wind-driven rain?

**What interior areas of the equipment were affected?**

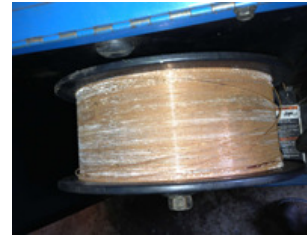
- Did water enter into fully enclosed areas such as cabinets?
  - Wind-driven rain must have an entry point into the equipment to actually cause the damage. If a system is fully enclosed and sealed, wind-driven rain would not permeate the system or be the cause of the damage.
- Are components such as transformers saturated?
  - Components such as power transformers are designed to be resistant to wind-driven water but are not resistant to being submerged. If components such as power transformers have failed due to extensive water contamination, there is a high likelihood that they were submerged in a flood rather than sprayed with water as a result of wind-driven rain.
- Is there pooling of water present in interior equipment spaces?

- Devices, such as hard drives, are tightly sealed because a single particle of dust can cause catastrophic damage. If a sealed device is found to have interior water pooling, we must conclude that it was submerged in a flood rather than sprayed by wind-driven rain.
- Are defined flood lines visible?
  - During the internal inspection of equipment, water lines should not be present. The presence of water lines indicate submersion rather than wind-driven rain.
- The dust inside the equipment should be closely examined.
  - Look to see whether the dust is dotted, fully flattened or showing a clear demarcation line. These signs can reveal whether equipment was sprayed with rain or submerged.

**Still not sure? TechLoss is happy to answer any of your general questions for free. [Email us.](#)**

## How We Saved a Client \$600,000

A client recently retained us for a project with a machine shop. The shop claimed that wind-driven rain had entered its building during a storm, causing its lathes, welding equipment, presses and brakes to corrode. Due to the extensive damage, it was deemed that the equipment could not economically be cleaned and had to be replaced for approximately \$600,000. Our client asked that we inspect the equipment, verify the damages and determine options for resolving the equipment portion of the claim.



During the inspection, our engineer identified that large rolls of wire located in sealed, upper compartments within the welding equipment had indeed sustained extensive damage. However, the inner coils of the wire were corroded, leading him to suspect that the damages were caused by flooding, not wind-driven rain. As our engineer carefully dismantled other items, he found that internal compartments were filled with standing water, verifying that the equipment had been flooded.



Based on our inspection and the documentation gathered by our engineer, TechLoss was able to refute previous findings and document that the involved equipment was damaged as a result of a flood rather than wind-driven rain. Ultimately, the claim was denied by our client.

## Call in the Experts

If your loss involves electronics or mechanical equipment, including their data and software, call TechLoss! We can save you time, cost and headaches with a full range of services:

- Electronic Loss Consulting
- Electronic Equipment Restoration
- Data Recovery Solutions

**877.832.4567 | [info@techloss.com](mailto:info@techloss.com) | [www.techloss.com](http://www.techloss.com)**

