



Insight

Allianz Coffee Guide to: Lightning & Surge Protection

Broking business is busier than ever, and staying on top of the latest insurance and risk management buzzwords can sometimes fall by the wayside. So, harking back to the coffee shop origins of insurance, Allianz is offering a series of short and snappy insights that pull on our expertise. A perfect way to catch up on what's hot!

On this week's agenda: Lightning and surge protection. We hope the following comes in handy next time you're awaiting a cappuccino in your local coffee house and a fellow coffee customer turns to you and says...

Coffee Customer: Classic British weather out there... How common do you think lightning strikes really are?

You: The Earth is struck by lightning about 20million times a year. Travelling at speeds of 60,000m/s and reaching temperatures close to 30,000 degrees Celsius, the energy from just one lightning flash could light a 100-watt lightbulb for more than three months!

Coffee Customer: So what kind of damage could that cause?

You: The electrical power surge generated through the strike can cause fire and extensive damage to a property's electrical equipment and installations. For a business, this can mean data loss and essential machinery out of action. The knock on consequences due to the subsequent business interruption can be significant.

Coffee Customer: But surely electrical power surges aren't just caused by lightning strikes?

You: Quite right. Power surges through a mains wall socket, which usually transmit up to 230 volts in the UK, can cause severe electrical injuries. In fact, an electrical shock as low as 50 volts can stop a heart beating properly.

For a business, this is a significant health and safety hazard that needs to be addressed to protect employees and visitors to the premises.

Coffee Customer: Should a business look to install risk management then?

You: Definitely! For a modern business, lightning and surge protection is a must-have. A thorough assessment can make sure that buildings get the correct level – be that electronic system services, earthing or maintenance to name just a few – so that the property and business is properly protected.

At this point, your drink will be served and you can smile modestly knowing that your coffee catch up went well.



Insurance implications at a glance:

- Although a relatively rare occurrence, indemnifying properties damaged by Lightning or a power surge can be extremely costly.
- It's not just damage to the building itself. An important consideration when assessing the risk is whether the building is likely to be packed full of expensive equipment and technology. The repair bill for these alone can be significant in addition to business interruption costs.