



Case Study: Transformer Asset Management

Changing an organization's approach to major equipment conservation

Business Issue

A McGriff Energy client had suffered a number of transformer property losses, with about \$10 million in gross claims over a 4-year period. Aged units and a lack of maintenance and testing management programs were partly to blame.

The participating insurance panel was no longer comfortable with the account risk quality and was projecting significant rate increases or possibly non-renewal.

Action Plan

In preparation for the property insurance renewal, the McGriff Energy loss control team began working with the client's senior management group to implement a new transformer asset management program. The new approach would be based on continuity across all operating companies, which would significantly benefit the management and maintenance of the transformer fleet.

McGriff Energy loss control assisted the client in developing the following programs and systems:

- Develop an inventory tracking system to maintain equipment specifications
- Manage transformer testing with capability to track, trend, and disposition recommendations
- Inspection frequency management
- Transformer and bushing online monitoring
- Identify all OEM (Original Equipment Manufacturer) transformer bushings requiring remediation
- Improve the existing long-range plan for replacing aged transformers

Result

The collaboration between the client and the McGriff Energy loss control team led to the development and implementation of the programs and systems mentioned on the left.

In a presentation to participating insurers, the client's senior management team highlighted the new risk improvements. That allowed the insurance panel to renew the program with all incumbent insurers without needing to introduce new capacity. This saved the client approximately 10% on their budgeted premium without changes to their retentions.



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