

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

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BULLETIN MEL 22-08

Date: January 1, 2022

To: Fund Commissioners of Member Joint Insurance Funds

From: Underwriting Manager
Conner Strong & Buckelew

Re: Boiler and Machinery Object Inspections, Object Certificate Issuance, Loss Prevention Checklists

The bulletin does not apply to the members of the NJUA JIF, “workers compensation only” members of NJPHA JIF. This bulletin does not apply to the Board of Education members of the Suburban Metro JIF. This bulletin does not apply to members not participating in the MEL Property program.

This will serve as a reminder of the claims reporting and object inspection aspects of the property and equipment breakdown insurance program.

Object Inspections and Certificate Issuance

Zurich provides the boiler and machinery object inspections and certificate issuance. Zurich has licensed inspectors to perform state inspections for jurisdictional objects. The member entity shall contact the Zurich inspector prior to the expiration date of the certificate for the object and following the yearly maintenance that is to be performed on the object. A Zurich inspector will arrange for a convenient time to perform these inspections. Zurich will ask that a designated person of the member entity accompany them during these inspections, if possible, to make the visit as efficient as possible. Each certificate object normally generates a license fee. “Unfired pressure vessels” includes air tanks, expansion tanks, autoclaves and similar equipment. Please note that the MEL has paid with their renewal insurance premium the cost of these certificates. Therefore, member entity should not pay any fee invoices received from Zurich. As in the past, any invoices received from the insurance company should be returned to Zurich.

If you require an immediate inspection or need assistance regarding inspections, please call the Zurich Inspection Hotline at 800-562-5814 or send an email to BMProcessing@zurichna.com. In addition, Zurich has assigned a “Point of Contact” for the MEL account.

Name: Matt Hill
Phone Number: 484-860-2292
Email: matthew.hill@zurichna.com
<https://esolutions.zurichna.com/s3/Boiler-Inspection-Request-System>

Loss Control / Prevention Information Checklists

Zurich Services Corporation inspectors are available to answer questions or provide information relative to inspections, loss control and prevention, and engineering.

State of New Jersey Object Inspection Requirements

The State of New Jersey requires a number of heating and cooling objects to be inspected and given a certificate of safe operation by a representative of the State. Some of the common objects you may find in your facilities include Low and High Pressure Boilers, Storage Water Heaters (fired and electric), Steam Cookers and Refrigeration Systems.

The Law requires that all steam or hot water boilers, hot water heaters or similar equipment potentially capable of generating steam shall be inspected at least once each year at 12-month intervals. The inspection shall be an internal and external as construction conditions will permit.

The Law also specifies requirements for air conditioning/refrigeration system inspections and certifications. For example, all refrigeration systems using flammable or toxic refrigerants having 36 driving horse power must be inspected and certified annually by an insurance company commissioned inspector or a State of New Jersey inspector.

Along with the above, the State of New Jersey has put into effect as of October 6, 2008 the enforcement of the registration and inspection of pressure vessels and it reads as follows:

"The State of New Jersey Bureau of Boiler and Pressure Compliance (BB&PVC) has mandated that owners of pressure vessels have their vessels inspected. This inspection is mandatory and must be done when the current boiler and refrigeration inspections are performed. After the initial inspection of the pressure vessel is completed thereafter, it must be inspected every three years. Inspection of pressure vessels is conducted by State and Insurance company inspectors certified by the BB&PVC. Boiler and refrigeration plants will continue to be inspected once per year."

Zurich will provide the registration, inspection and the New Jersey Certificate object number, this will keep you in compliance with the in force unfired pressure vessel Code.

The State will issue fines for all objects that do not have the certificate up to date. N.J.S.A. 34:7-26 Penalties; Recovery states that the first offense can carry a penalty of \$500 to \$10,000 per object. The second offense can carry a penalty as much as \$25,000 per object. The fines will come directly from the State of New Jersey. The law requires the inspection to be internal and external as construction and conditions permit. In order for the Boiler to be ready for an inspection, *New Jersey Code 12:90-4.10(f)* requires the boiler to be "open, clean, cool and ready for the inspector."

For your reference, attached to this bulletin is documentation concerning the proper installation of the feed water check valves. These documents are directly from the State of New Jersey. It is emphasized that no other devices can be installed between the stop valve/check valve and the boiler.

If you have any questions concerning this bulletin, please contact your Risk Management Consultant, JIF Executive Director or the Underwriting Manager at Conner Strong & Buckelew.

This bulletin is for information purposes only. It is not intended to be all-inclusive but merely an overview. It does not alter, amend or change your coverage. Please refer to specific policies for limits, terms, conditions and exclusions.

cc: Risk Management Consultants
Fund Professionals
Fund Executive Directors