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Information Bulletin – Expanded Polystyrene Sandwich (EPS) Panel + Hot Work = Loss of production facility

Background

Work was being undertaken by a contractor to provide additional ventilation to mechanical equipment installed in the roof space of a large production facility. Preparatory work involved cutting openings in the metal sheet clad exterior wall of the building and also in the internal EPS panel wall. The openings were made using a tungsten tipped blade and skill saw.

While the use of a Hot Work Permit was considered, it was incorrectly assumed that the work was not classified as being 'Hot Work' and therefore no precautions were put in place.

Some six hours after the cutting was completed – and the site had been vacated for the day – the local security monitoring company received an alarm condition and despatched a guard to investigate. On arrival the guard noticed smoke rising from the building and the local fire brigade were called out.

Upon arrival fire fighters had to deal with a major fire that was well underway and they attended the site for more than 10 hours until the fire was confirmed as extinguished.

Outcome

- Over 70% of the building was completely destroyed and the remaining areas suffered significant damage. A complete rebuilding of the facility was required.
- More than 300 staff were out of work.
- Some staff were able to be relocated to other plants.
- Plant was closed for more than a year.
- The plant's claims history now includes a significant loss.

Lessons Learnt

- EPS panel and hot work make for a dangerous combination.
- Contractors' work methods should always be reviewed prior to any commencement of work. If appropriate controls and precautions are not in place, work should not commence.
- Robust controls must be in place and enforced to ensure that any work involving EPS panels, or any other Foam Plastic Construction Material (FPCM), is carried out in an approved and fire safe manner. The use of the ACE Insurance work permit system for FPCM is recommended.



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- The existence of a formal Hot Work policy that is enforced at all times is critical in managing the hazards associated with work involving welding, grinding, brazing, cutting and any other work that generates sparks, heat through friction (e.g. high speed cutting) or involves open flame. The use of a robust system such as the ACE Insurance Hot Work Permit system to help control this exposure is recommended.

ACE Work Permits and Procedures

The ACE work permits and procedures available on our website provide guidance and 'best practice' information on the control of hazards associated with work involving FPCM or Hot Work in general. For more information, please visit <http://www.aceinsurance.com.au/Risk-Management/Global-Engineering-Capabilities>

[Note: The information contained in this document is provided by ACE for informational purposes only. A reference to a specific risk is in no way intended to imply that no other hazardous conditions or exposures exist.]