



ADVICE FROM AN EXPERT *by Mick Sagrillo*

INSURING YOUR WIND SYSTEM

Evaluating Policy Options

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Folks interested in installing a wind system in the U.S. have a series of legal hoops to jump through before construction can begin. These hurdles include zoning ordinances, building permits, inspections, possibly engineering verification, and utility approval if the wind turbine is to be a utility intertied system. Insurance is also a part of this list.

While most of these hurdles are one-time, up-front expenses, insurance is an ongoing expense for the life of the system. Therefore it pays to make sure that your best interests are addressed before any payments are made. The most cost-effective way to insure a wind system is under an existing homeowner's insurance policy on your house. This is far cheaper than trying to secure a policy specifically for the wind system.

When you contact the insurance company, do not tell them that you want to insure a wind turbine or wind electric generator. Chances are that they have no idea what you are talking about, and they probably don't have much time for an education. The result is that red flags are raised causing insurers to perceive greater risk and, in response, raise their rates.

Instead, explain that you wish to insure a wind mill and tower, (both are terms that almost everyone is familiar with) as an "appurtenant structure" on your current homeowner's policy. This is a term used by the insurance industry that refers to any uninhabitable structure on your property. Examples include garages, silos, barns, storage sheds, grain elevators, and towers. It is usual practice for insurance companies to insure appurtenant structures for the total cost of materials plus the labor to build the structure. This represents the installed cost of your system. It should be noted that coverage of appurtenant structures on a homeowner's policy only applies if the system is on the same premises as your house.

Any wind system should have insurance coverage that includes damage to the system itself from "acts of God," fire, theft, or vandalism. While most wind generator towers are designed to withstand wind speeds greater than 110 mph, tornadoes or hurricanes can still wreak havoc on them. Quite often the damage is not caused by an extreme wind itself blowing on the tower, but by things that are blown into the tower by the wind. Few structures, for example, can withstand having a cow blown into them.

Another "act of God" of concern has to do with lightning strikes. A properly installed wind generator tower has a ground rod connected to each tower leg or at each place where a guy cable is connected to the earth or to a concrete anchor. The wires from the wind generator to the control system should also be protected by a lightning

arrester. In addition, utility intertied systems are grounded on the utility ac side of the inverter. Adding a lightning arrester and voltage surge arrestors on the utility side of the inverter affords additional protection.

While none of this will guarantee that your system will not be hit by a lightning strike, it certainly reduces the likelihood of such a strike. Plus, in the eyes of the insurance company, you have taken prudent measures to protect your wind system.

Fire is of minimal concern to a wind electric system. However, it should go without saying that the wiring of the entire system must be up to electric code specifications. If you have a fire caused in the house due to some funky wiring in the wind system, you may not be able to make a claim, and your policy may be canceled.

Next time, we'll look at [liability insurance and typical insurance costs](#) for a wind system.

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