

Breakdown

INSURANCE



Most businesses have numerous insurable equipment breakdown exposures. Many utilize fired and unfired pressure vessels and air conditioning systems with equipment ranging from boilers and air tanks to motors and compressors. All types of business systems are present, including, computers, printers, servers, telephone systems and routers.

Mechanical and electrical breakdowns are the most prevalent causes of loss to office buildings, retail and service businesses. Breakdown of mechanical or electrical equipment can lead to an interruption of business and, in the case of refrigeration compressors, lead to food spoilage.

Some jurisdictions require boilers and pressure vessels to be inspected by a qualified inspector. These services are provided at no additional charge as part of Equipment Breakdown coverage.

Typical Losses

The piston rod supporting the chiller's compressor snapped after liquid refrigerant back-fed into the compressor. As a result, the compressor was replaced.

Property Damage: \$24,500

An artificially generated surge caused electrical damage to 35 light ballasts throughout the office building. Due to the extent of damage, the ballasts were replaced.

Property Damage: \$12,500

Exposures

- Motors
- Emergency Generators
- Transformers
- Electric Service Panels
- Switchgear
- Communications Equipment
- Computers
- Servers, Routers
- Compressors
- Pumps
- Boilers
- Refrigeration Units
- Air Conditioning Units

Loss Prevention Tip

Have a qualified HVAC technician check for loose electrical lead connections on refrigeration compressors and check the function of the cooler thermostat to ensure products are being held within an acceptable temperature range.