

EQUIPMENT BREAKDOWN LESSONS LEARNED

AVONDALE
TRUSTED EXPERTISE

APARTMENTS AND CONDOMINIUMS



Although equipment breakdown insurance is one of the best coverage, service and price values in the industry, some business owners and operators continue to do without this vital protection. Loss lessons in our business tend to be learned the easy way or the hard way. Doing with little or no coverage is indeed doing little when the unexpected happens. Even if you do not have boilers or production machines, equipment breakdown insurance policies cover breakdowns to a wide array of mechanical and electrical equipment. If it plugs in, it's probably covered.

At Avondale, we are now including full limit equipment breakdown on all apartments and condominium policies (subject to underwriting) at no additional cost.

We want our valued wholesale producers to know they are offering their retail agents and their insureds "great" coverage.

Read our loss examples to learn more about the scale and variety of equipment breakdown losses which impact apartments and condominiums every day.

A 1500-kw electric generator used for primary and backup power production at a multi-story condominium failed after suffering an electrical fault. The generator needed rewinding, and the homeowners association secured a rental unit until repairs were completed.

Loss:

- Property Damage - \$75,000
- Extra Expense - \$11,500

A single chilled water tube leaked water into the hermetic compressor of a 75-ton air conditioning system. The 113-unit apartment complex's system experienced a breakdown and required a full replacement of the chiller system. A backup chiller was brought in during the new system's installation.

Loss:

- Property Damage - \$25,000
- Extra Expense - \$4,500



<p>Severe overheating of a small water tube boiler caused damage to several tubes and water damage to the surrounding property. The boiler provided hot water service to a 3-unit section of a condominium property and had to be replaced.</p>	<p>Loss:</p> <ul style="list-style-type: none">• Property Damage - \$7,500
<p>The failure of a 1500-kva dry transformer due to the short circuit of high and low voltage coils caused a full-day electrical shutdown of a 19-story condominium building. Until the transformer was replaced, a rental transformer was installed to restore power immediately and to continue until three months' worth of repairs were completed.</p>	<p>Loss:</p> <ul style="list-style-type: none">• Property Damage - \$8,500• Extra Expense - \$2,500
<p>The starter coils of a 20-horsepower submersible pump burned out at an 83-unit apartment complex. The breakdown caused solid waste backups in the building's sewage system. Overtime charges were incurred to repair the pump to ensure the sewage system was not irrevocably damaged.</p>	<p>Loss:</p> <ul style="list-style-type: none">• Property Damage - \$120,000• Business Income - \$210,000
<p>An incoming electrical surge resulted in the failure of the communications, heating, and air-conditioning control systems of a metropolitan apartment building. All the control systems were replaced. The insured also lost business income due to residency reductions during the lengthy repair.</p>	<p>Loss:</p> <ul style="list-style-type: none">• Property Damage - \$96,000• Extra Expense - \$7,500

While Avondale's expanded policy covers some very sophisticated equipment and systems, you will have no problem understanding the many benefits of full equipment breakdown coverage.

To learn more, call 1-888-737-5244 or visit www.avondaleins.com

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