

# EQUIPMENT BREAKDOWN LESSONS LEARNED

**AVONDALE**  
TRUSTED EXPERTISE

## HOTELS



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 hotel policies (subject to underwriting) at no additional cost.

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

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

The breakdown of communication, heating and cooling control systems due to an incoming electrical surge required extensive repairs and relocation of nearly all guests and loss of bookings at a popular family resort.

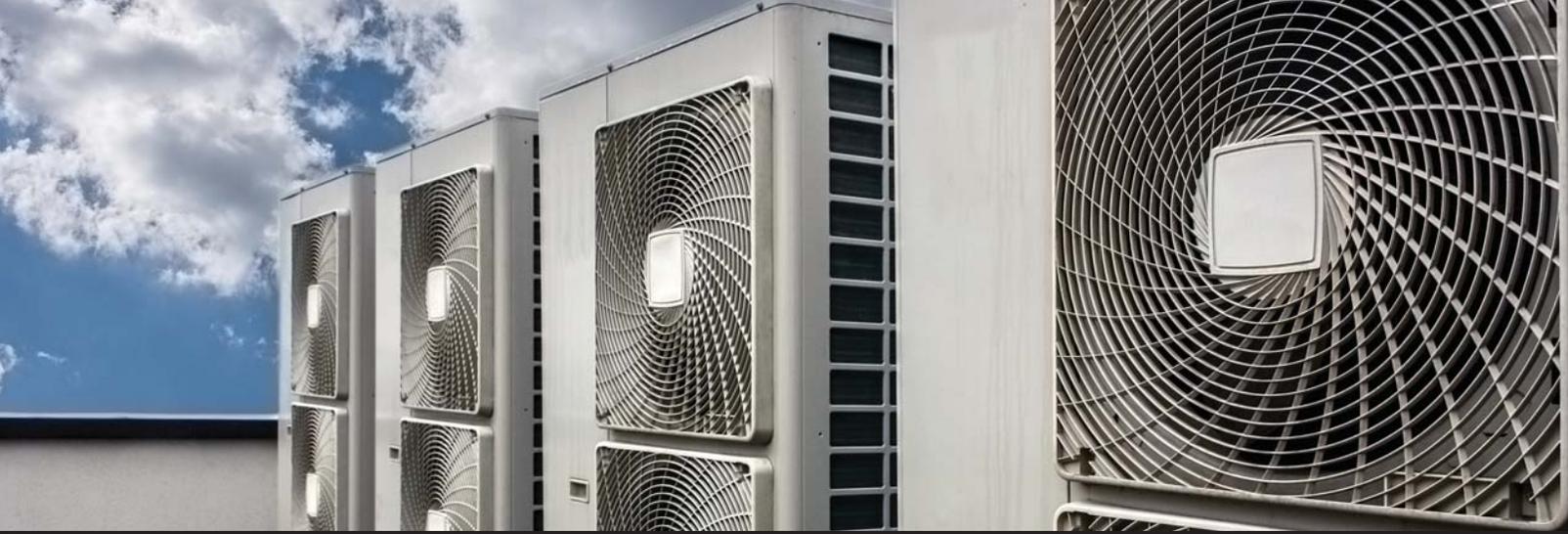
**Loss:**

- Property Damage - \$142,000
- Business Income - \$117,000

A large steam turbine-driven centrifugal compressor failed due to lubrication problems, resulting in loss of air conditioning to a conference center's main ballroom and meeting areas.

**Loss:**

- Property Damage - \$42,500
- Extra Expense - \$132,000



<p>During their high season, the owners of a 602-room hotel reported a loss to their 750-ton air conditioning chiller. Although the chiller was under warranty, expenses such as duct removal and operating a temporary chiller and generator were only reimbursed by their equipment breakdown policy.</p>	<p><b>Loss:</b></p> <ul style="list-style-type: none"> <li>• Property Damage and Extra Expense - \$14,630</li> </ul>
<p>A printer, room refrigerators, air conditioning window units and a hot tub motor were damaged due to a brownout at a roadside motel. Because there were no available rooms for those inconvenienced, the owner was forced to find new accommodations for several guests.</p>	<p><b>Loss:</b></p> <ul style="list-style-type: none"> <li>• Property Damage - \$6,790</li> <li>• Extra Expense - \$565</li> </ul>
<p>An extended stay hotel suffered an elevator motor loss that initially had an undetermined cause. After our carrier's claim investigation revealed the motor breakdown was caused by a single phasing electrical incident, the owner's equipment breakdown policy paid for the expense to repair the motor.</p>	<p><b>Loss:</b></p> <ul style="list-style-type: none"> <li>• Property Damage - \$5,880</li> </ul>
<p>After an inspection to determine the cause of a boiler leak, 15 sections of a steam boiler were found to be cracked to the surprise of a 400-unit residence hotel manager. Because this was the owner's only heating boiler, a backup boiler was rented to provide relief during the repairs.</p>	<p><b>Loss:</b></p> <ul style="list-style-type: none"> <li>• Property Damage - \$19,997</li> <li>• Extra Expense - \$4,200</li> </ul>

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](http://www.avondaleins.com)

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