

# Equipment Breakdown from Clermont Specialty Managers Apartments



Apartment buildings face a variety of equipment breakdown exposures and displacing tenants during a breakdown should be a concern. Proper maintenance of the low-water cutoff device on a boiler is a critical element in reducing boiler losses at apartments and condominiums. Whether or not apartments actually have boilers, they certainly all have insurable equipment breakdown exposures. Some high-rise apartment buildings will have central heating systems and many will also have central air conditioning systems.

Garden style complexes often have individual heating and air conditioning units. Additionally, electrical distribution systems represent significant and frequent exposure to loss. Underground cables can present large exposures due to the expense and time involved with replacement. While electricity is the most frequent utility service lost, the lack of steam, heat, gas or water can also create periods of interruption significant enough to cause loss of rent.

## Typical Losses

An electric meter assembly for a 30-unit apartment building sustained electrical damage due to an internal event. This resulted in a surge that damaged the fire alarm panel and miscellaneous outlets in the building.

**Property Damage: \$14,950**

A cast iron boiler overheated as a result of low water condition. Due to the extent of damage and the availability of replacement sections, the boiler was replaced.

**Property Damage: \$12,150**

## Exposures

- Boilers
- Fired/Unfired Vessels
- Fired Water Heaters
- Refrigeration Units
- Air Conditioning Units
- Compressors
- Pumps
- Motors
- Emergency Generators
- Transformers
- Computers
- Switchboards
- Distribution Systems

## Loss Prevention Tip

Install a surge protection system at the main power service panel to protect the entire electrical system.