



Equipment Breakdown Offices



Office buildings have a large variety of insurable equipment breakdown exposures. All offices have mechanical or electrical equipment that can be protected by Equipment Breakdown coverage.

Large office buildings have centrifugal air conditioning compressors that are subject to significant property damage due to mechanical breakdown of the compressor or electrical breakdown of the drive motors. The loss of air conditioning in an office building may result in computer operation problems or tenant complaints. Many times the building owner is compelled to refund rent, which

is considered a business interruption loss. The cost for rental of temporary equipment, such as a tractor trailer mounted air conditioning unit, would be covered under extra expense. Other significant equipment breakdown exposures in offices include electrical components, such as transformers, switchgear and electrical distribution cables.

EXPOSURES

- Air Conditioning Units
- Boilers
- Cast Iron Boilers Motors
- Communications Equipment
- Compressors
- Computers
- Elevators
- Emergency Generators
- Engines
- Generators
- Pumps
- Switchgear
- Transformers

Typical losses

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

Property Damage: \$22,200

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: \$7,000

LOSS PREVENTION TIP

Identify outside repair contractors for the sudden breakdown of critical and support equipment.