



# Office Buildings

## Why Do You Need Equipment Breakdown Insurance?

### You Rely On Equipment

Electrical distribution and security systems, HVAC, and elevators are vital to the operation of an office building—and subject to sudden and accidental breakdown.

Frequently, this equipment relies on sensitive technologies that are expensive to repair. Also, business interruption expenses can mount, as disrupted tenants move or demand rent relief.

### Rely On Our Coverage

Equipment breakdown can significantly impact your business. Yet, most standard property policies exclude the coverage.

Equipment Breakdown insurance pays for physical damage to equipment caused by mechanical and electrical breakdown. It can also cover business income or spoilage losses due to an equipment breakdown and your extra expenses to limit the equipment loss or speed repairs.

### Protect Against Loss

The coverage protects against covered losses caused by:

- Short circuit • Electrical arcing • Power surges
- Mechanical breakdown • Motor burnout
- Boiler damage • Operator error

### Common Causes

#### Electrical Distribution System

Lost power can not only shut down a complex and cause major disruption to tenants, but can cost you thousands of dollars and weeks to repair. When you consider that panels, circuit breakers, and cables are all interconnected, you can see how damage—and costs—can quickly escalate. A simple loose connection, dust, or high humidity is all it takes.

#### Heating and Cooling System

Many office buildings use boilers to provide heat and hot water, and air conditioning units containing expensive

This summary gives a general description. For all coverages, conditions and exclusions, refer to the policy.

compressors for cooling. Yet HVAC failures are common. Income can be lost while this equipment is repaired or replaced—at significant cost.

### Building Automation

Today's "smart" office buildings contain sophisticated electronic equipment that operates boilers, air conditioning, lights, elevators, and fire detection and security systems. These fragile electronics can be severely damaged from electrical surges and spikes, as can phone systems and computers.

### Coverage, Plus More

Many states and local governments require boilers and pressure vessels to be inspected periodically by commissioned inspectors. Our program includes these inspection services so you avoid local fees in many jurisdictions and only pay the certificate fee.

### The Risks Are Real

*A 600-ton chiller motor shorted. A rental unit was installed to keep the building habitable. Initially, it appeared that the motor could be repaired. However, once the machine was dismantled, inspectors discovered that the core had melted. The rental unit stayed on line until the new motor arrived—six months later.*

<b>Property Damage:</b>	<b>\$100,364</b>
<b>Extra Expense:</b>	<b>\$130,392</b>
<b>Total Paid Loss:</b>	<b>\$230,756</b>

*The main electrical panel in a 12-story office building shorted when an abandoned, but still connected, city pipe filled the basement with steam. The moisture caused asbestos insulation to crumble. When the power went out, temperatures plunged due to cold weather. City pipes filled electrical conduits with water and corroded pumps and the elevator machinery.*

<b>Total Paid Loss:</b>	<b>\$ 56,183</b>
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