



Equipment Breakdown Loss Examples

OCCUPANCY	EQUIPMENT BREAKDOWN LOSS EXAMPLES
APARTMENT BUILDINGS	Scale build-up resulted in a severe low-water condition, causing a boiler to rupture. Tenants, without heat, moved out or demanded rent relief. A rental boiler was installed as an interim measure until a replacement unit was installed. Property Damage: \$ 88,193 Business Interruption: \$ 35,032 Extra Expense: \$ 19,639 Total Paid Loss: \$ 142,864
APARTMENT BUILDINGS	Air conditioning motor burned out in a high – rise APARTMENT BUILDING that houses senior citizens. Ninety-plus degree temperatures necessitated setting up four rented “ spot coolers.” Weekend overtime was required to get the motor back on line. Property Damage: \$83,557 Extra Expense: \$16,794 Total Paid Loss:\$100,351
CONTRACTORS	A power surge shutdown a 16 – card phone system, leaving a busy CONTRACTING BUSINESS with only two phone lines. The surge also damaged the motherboards of five computer systems. The computers were repaired, but the entire phone system needed to be replaced. Total Paid Loss: \$11,125.
FUNERAL HOMES	Blizzard winds blew open an outside entry door to a room that houses a funeral home's generator equipment. The cold overpowered the radiator that heats the room. The valve that feeds cooling water into the generator froze, backing water up and sending it into a nearby work area. Total Paid Loss: \$ 13,045.
GROCERS	Hydrochloric acid from an unknown source filled an underground electrical conduit, causing severe corrosion to a grocery store's electrical cables and switchgear. Wire insulation was burned in several spots and wires were fused together due to the contact. The store shutdown for four days and an extensive inventory of refrigerated goods spoiled. Total Paid Loss: \$ 133,140.
OFFICE BUILDINGS	With the summer heating up, a high-rise office center lost its air conditioning when a power cable shorted out and damaged pumps and motors. It was the Fourth of July and it wouldn't be easy to complete repairs. Crews worked through the holiday as parts, labor and extra expense pushed the paid loss to \$ 119,256.
RESTAURANTS	A restaurant lost refrigeration in two walk-in coolers and a freezer when utility power quality problems damaged compressors and motors. A variety of expensive food products spoiled. Total Paid Loss \$ 32,867.
RESTAURANTS	While cleaning a dough machine at a deli, the machine was dropped and internal components were damaged. A re-manufactured machine was obtained. The cost was \$ 11,500. With the cost of freight, installation and rental of a temporary machine, the total loss was \$ 23,000.
RETAIL BUILDINGS OWNERS	A building's heating boiler dry-fired when a feed water pipe broke and the low-water cut-off device failed to shut off the boiler's burner. Several boiler sections cracked and the boiler needed to be replaced. Total Paid Loss: \$ 37,600.
RETAIL BUILDINGS OWNERS	A loose electrical connection caused an electrical bus to arc and fail between the main electrical disconnect and a power transformer. The building was closed one day while rental generators were installed to supply power to the building during the ten days it took to complete permanent repairs. Property Damage: \$ 75,369 Extra Expense: \$ 22,626 Total Paid Loss: \$ 97,995
RETAIL STORES	A power surge entered a convenience store through a telephone data line and destroyed a computerized point-of-sale system used to track sales, inventory and check credit. The equipment had to be replaced. Total Paid Loss: \$ 29,146.
RETAIL STORES	A mini-mart and gas station had extensive equipment damage and closed for a week following a utility voltage surge. Broken equipment included a refrigeration compressor, ATM machine, electronic cash register and credit card reader, fuel pump controls, coffee and cappuccino machines, lighting, and main electrical panel. Total Paid Loss: \$ 40,661, including \$ 6,137 for lost business income.
WHOLESALEERS	Arcing and a surge from a substation located inside a large warehouse severely damaged the building's electrical system. Total Paid Loss: \$ 226,569.