

Apartment Buildings & Condominium Associations



Hartford Steam Boiler is the largest writer of equipment insurance in the United States and Canada. Our superior rating by A.M. Best exemplifies our financial stability and tradition of sound underwriting.

Six Reasons Why You Need Equipment Breakdown Insurance

1 Equipment You Depend On

Electrical distribution and security systems, HVAC, and elevators are vital to the operation of a residential property. This equipment is subject to sudden and accidental breakdown. Frequently, this equipment relies on technologies that are sensitive and expensive to repair. In addition, business interruption expenses can mount, as disrupted tenants move out or demand rent relief.

2 Equipment Breakdown Insurance Covers More Than Just Repairs

Equipment Breakdown insurance helps protect you from the costs associated with losses to your facility's equipment. It pays for:

- Direct property loss — the cost to repair or replace the damaged equipment.
- Costs associated with the time and labor to repair or replace the equipment.
- Other expenses incurred to limit the loss or speed restoration of your operations.
- The loss value of spoiled products or materials.
- Recovery expenses.

Equipment Breakdown insurance covers the physical damage — and the financial damage — stemming from insured equipment failure. It's bottom-line protection essential for today's technology-intensive apartments and condos.

3 Protection From Damage Caused By:

- Short circuit/electrical arcing • Power surges
- Mechanical breakdown • Motor burnout
- Boiler damage

4 Equipment Breakdown Insurance Covers Many Types of Equipment

Heat and Hot Water

Boilers, which provide heat and hot water, are common in condominiums and apartment buildings. Boilers are susceptible to breakdown due to pump or low-water cut-off mechanism failure.

Air Conditioning

Air conditioning systems contain a variety of parts that can break down and result in costly repairs. And, because of the ban on CFCs, replacing the system's refrigerant can cost thousands of dollars, when it was only a \$100 expense a few years ago. Lack of air conditioning can force residents to find other accommodations.

Electrical Distribution Systems

Power interruption can shut down a complex and cause major disruption for residents. Electrical panels, circuit breakers and cables are all interconnected, a short circuit in one part can spread to other parts of the system, affecting many units. The cause can be as simple as a loose connection, dust or moisture.

Fire Detection and Security Systems

Fire and security systems rely on sensitive electronics that are vulnerable to severe damage from electrical surges and spikes. Modern phone systems are also subject to damage from electrical fluctuations. These systems' fragile circuitry is expensive to repair — and replace.

5 Mandatory Jurisdictional Inspections

Most states and many local governments require boiler and pressure vessel inspections. With HSB providing these inspection services, you can avoid local inspection fees in a majority of jurisdictions. Only the certificate fee would be your responsibility.

6 Typical Losses

The following are actual losses and the coverage provided for residential complexes like yours.

An air conditioning motor burned out in a high-rise apartment building that houses senior citizens. Although one other air conditioning unit was still operating, 90-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 Loss:	\$100,351

Scale build-up resulted in a severe low-water condition, causing a boiler to rupture. Tenants, without heat, moved out or demanded rent abatements. 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 Loss:	\$142,864

Water leaking on an electrical bus riser caused a fire in a large condominium building. Extensive rewiring was necessary. The phone system, which was severely damaged, needed to be reinstalled.

Property Damage:	\$139,281
Extra Expense:	\$ 16,062
Other Expense:	\$ 6,757
Total Loss:	\$162,100