



Apartments/Condominiums

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 or condominiums 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 the loss of rents.

Typical Losses

Apartment: A cast-iron boiler experienced a low-water condition and was destroyed. This condition resulted from a failure of the feed water system and the low-water cutoff. This type of loss is preventable by properly maintaining the low-water cutoff device. Replacement took five days and resulted in a refund of rent.

Property Damage: \$12,760
Loss of Rent: \$17,000

Garden-Style Complex: An underground electrical cable shorted leaving two buildings without power. Temporary service was restored within 12 hours. Excavation was required to replace the cable increasing the property damage loss significantly.

Property Damage: \$25,890

Exposures

Boilers and Pressure Vessels

Boilers
 Fired Vessels
 Fired Water Heaters
 Unfired Vessels
 Refrigeration Units
 Air Conditioning Units

Mechanical Equipment

Compressors
 Pumps

Electrical Equipment

Motors
 Emergency Generators
 Transformers
 Computers
 Switchboards
 Distribution Systems

Time Element

Business Interruption
 Extra Expense
 Service Interruption

Loss by Peril

| | % of losses |
|------------------------------|-------------|
| Electrical Breakdown | 45 |
| Mechanical Breakdown | 37 |
| Pressure Equipment Breakdown | 16 |
| Service Interruption | 2 |

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