



**FOR YOUR PROPERTY PACKAGE POLICY**

Travelers Equipment Breakdown Insurance provides coverage for the breakdown of equipment critical to America's businesses.

**TRAVELERS EQUIPMENT BREAKDOWN ENDORSEMENT PROVIDES COVERAGE FOR THE FOLLOWING CAUSES OF LOSS THAT ARE TYPICALLY EXCLUDED OR LIMITED IN PROPERTY POLICIES:**

- o Loss or damage caused by, or resulting from, artificially generated electric current - including electric arcing - that disturbs electrical devices, equipment, appliances or wires
- o Loss or damage caused by mechanical breakdown including rupture or bursting caused by centrifugal force
- o Loss or damage caused by explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control
- o Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by, or resulting from conditions or events inside such equipment
- o Loss or damage to hot water boilers or other water heating equipment caused by, or resulting from conditions or events inside such equipment

**WHY ADD EQUIPMENT BREAKDOWN COVERAGE?**

Most traditional property policies do not provide coverage for the breakdown of critical equipment such as:

- o mechanical or electrical equipment
- o boilers and pressure vessels
- o air conditioning and refrigeration equipment
- o critical communications systems

Travelers Equipment Breakdown Endorsement provides a full range of equipment breakdown coverages which stay in-synch with your Property Package Policy.

**Contact your Travelers Account Executive and add an Equipment Breakdown Endorsement to your Property Package Policy.**

or

**Call our Boiler & Machinery unit toll-free at**

**888.224.2638**

## AIR CONDITIONING AND REFRIGERATION EQUIPMENT

Air conditioning equipment is critical to maintain temperature control for either comfort or process needs.

### FREQUENT TYPES OF BREAKDOWNS INCLUDE:

- Loss of electric motor due to single phasing or water leakage into refrigerant.
- Loss of compressor due to liquid slugging or lack of lubrication.
- Breakdown of system controls due to voltage surges.
- Loss of evaporator tubing due to internal vibration, or air conditioning system freeze-up due to breakdown of the controls.

### TYPICAL LOSSES \$:

#### OFFICE BUILDING

A 200-ton air conditioning system froze due to breakdown of controls. Since it was summer, a rental unit had to be brought in until the main unit was returned to service.

**Loss: \$31,000**

**Extra Expense: \$11,500**

#### RETAIL STORE

A 75-horsepower reciprocating air conditioning compressor failed mechanically due to liquid slugging.

**Loss: \$5,780**

## BOILERS AND PRESSURE VESSELS

Most buildings are dependent on boilers to provide heat or to process steam for manufacturing operations. Pressure vessels can be found in compressed air systems. Many hospitals and food service operations use them in conjunction with sterilizers and cookers

### FREQUENT TYPES OF BREAKDOWNS INCLUDE:

- Boiler tube breakdown due to scale buildup inside the tubes.
- Cast iron boiler cracking due to breakdown of the low water fuel cutout.
- Air tank breakdown from cracking due to external vibration.
- Hot water heater overheating and rupturing due to control malfunction.

### TYPICAL LOSSES \$:

#### RESTAURANT

A water heater overheated and ruptured due to a breakdown of controls and a relief valve. The building also suffered water damage.

**Loss: \$72,000**

**Extra Expense: \$42,100**

#### MANUFACTURING FIRM

Severe overheating of a watertube boiler occurred due to a low-water condition, resulting in loss of about 40% of the tubes.

**Loss: \$31,300**

**Business Interruption: \$130,000**

## BUSINESS EQUIPMENT

The competitive edge of modern business operations is the use of sophisticated equipment and systems. Computer-controlled telecommunications systems, full building energy management systems, and distributed control systems are now very common in both industrial and commercial buildings.

### FREQUENT TYPES OF BREAKDOWNS INCLUDE:

- Circuit board electrical breakdown due to voltage spike
- Breakdown of control system due to ground fault.
- Communications system electrical breakdown due to excessive moisture in operating cabinets.

### TYPICAL LOSSES \$:

#### MAIL-ORDER BUSINESS

A telephone circuit board suffered electrical failure, closing the switchboard for two days during a critical holiday buying period.

**Loss: \$9,000**

**Business Interruption: \$24,600**

#### MOTEL

An incoming voltage surge resulted in electrical breakdown of both the communication and environmental control systems.

**Loss: \$120,000**

**Business Interruption: \$210,000**

## ELECTRICAL EQUIPMENT

Virtually all manufacturing, retail and service businesses depend on electrical equipment. And, electrical system failures are among the most common and costly.

### FREQUENT TYPES OF BREAKDOWNS INCLUDE:

- Motor breakdown due to single phase operation or loss of lubrication.
- Transformer breakdown due to line voltage surge or insulation deterioration.
- Cable or bus duct breakdown due to loose connections or insulation deterioration.
- Generator breakdown due to winding burnout or prolonged overload.
- Breakdown of controls due to poor contacts or lack of maintenance.

### TYPICAL LOSSES \$:

#### OFFICE BUILDING

Elevator motor failed.

**Loss: \$19,800**

#### DEPARTMENT STORE

A 30-horsepower direct current elevator motor failed electrically due to insulation deterioration. The motor, which was replaced, was located in the 15th floor penthouse.

**Loss: \$3,200 for the motor, plus \$8,000 for rigging.**

## MECHANICAL EQUIPMENT

Commercial and manufacturing operations depend heavily upon mechanical equipment. This can vary from compressors to pumps, steam turbines to punch presses, or rotating dryers to gear sets.

### FREQUENT TYPES OF BREAKDOWNS INCLUDE:

- Bearing or shaft breakdown from loss of lubrication.
- Coupling breakdown due to overload.
- Gear tooth breakdown due to misalignment or lubrication problems.
- Mechanical press frame breakdown due to double blanking or overload.
- Steam turbine breakdown due to excessive overspeed.

### TYPICAL LOSSES \$:

#### CABINETRY MANUFACTURER

A computerized saw was damaged when a gear broke. The wood had to be cut by hand while waiting for parts from Italy.

**Loss: \$3,631**

**Business Interruption and Extra Expense: \$266,991**

#### MACHINE SHOP

The tail stock on a large lathe failed mechanically due to fatigue, dropping a turbine rotor while it was being machined.

**Loss: \$138,900**

**Extra Expense: \$25,000**

