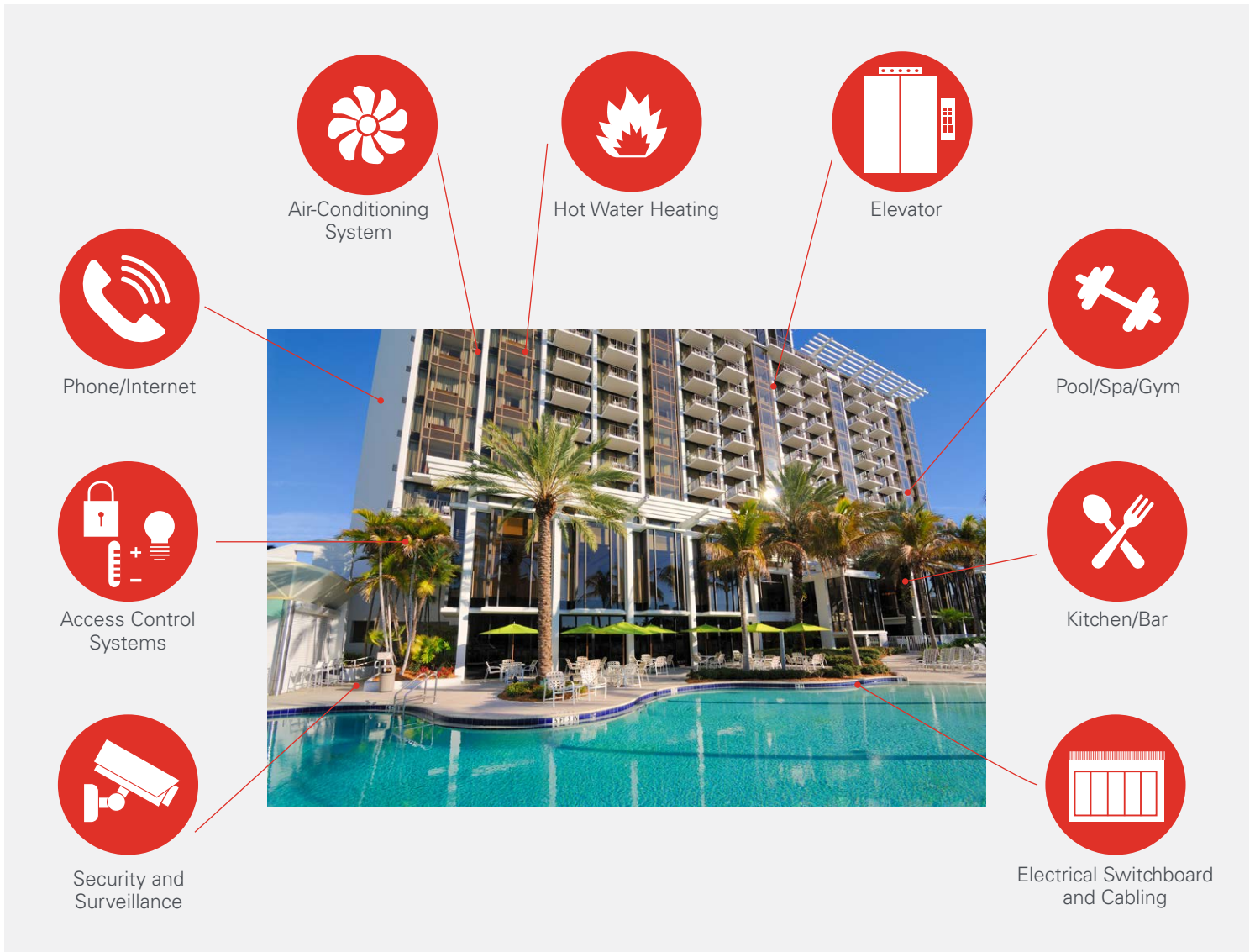


Vero Equipment Breakdown

What's at Risk? (Accommodation)



Accommodation Hotel/Motel

Equipment examples

- Air conditioning equipment
- Boilers and hot water tanks
- Back-up generators
- Security and surveillance equipment
- Building management systems
- Kitchen equipment
- Audio visual entertainment equipment
- Laundry equipment
- Pool/spa equipment
- Telephone/intercom systems
- Lifts
- Gym equipment
- Computer & office equipment
- Access control systems
- Electrical switchboards & cabling
- Refrigeration equipment
- Internet connections
- POS systems

What's at Risk?

Why You Need Equipment Breakdown Insurance

Equipment Breakdown Insurance – More Than Just Repairs

Equipment Breakdown insurance helps protect you against the costs of unforeseen breakdowns, as well as Income Protection, for:

- **Physical Damage:** the cost to repair or replace the damaged equipment, including labour costs.
- **Expediting Expenses:** costs incurred to speed up temporary or permanent repairs or replacement; plus temporary hire costs to keep guests comfortable and safe.
- **Loss of Gross Profits, Payroll and Additional Increase in Cost of Working:** if the breakdown leads to your losing guests, guests withholding payments or guests requiring relocation.
- **Service Interruption:** extends business interruption cover due to loss of electricity and other services caused by a breakdown of the utility or landlord's equipment.
- **Contribution towards Green Upgrades:** if a piece of equipment is upgraded following a breakdown, an additional contribution is provided towards the cost if such upgrade is for the benefit of the environment, safety, or energy efficiency.

Our claims and engineering specialists, who work only on equipment breakdown losses, can help you expedite repairs so you can return to business with minimal disruption to guests or loss of income. This is particularly important if the breakdown happens during peak periods.

Many Types of Equipment

Electrical Distribution Systems

Power interruption can shut down an entire building and cause major disruptions for guests. Electrical panels, circuit breakers and cables are interconnected – a short circuit in one part of the system can affect the whole complex.

Air Conditioning Equipment

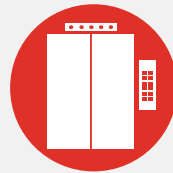
Air conditioning systems contain many parts that can break down and result in costly repairs. A chiller unit can cost hundreds of thousands, and refrigerant can be many thousands in addition to this, even in small systems. A single power surge can damage multiple window air conditioning units, resulting in a significant loss.

Electronic Building Management Systems

Electronic components are present in almost all equipment in a hotel or motel. This includes modern phone networks, security systems, intercom and monitoring systems, and facilities management systems that can control hot water, heating & air conditioning, air handling, etc. These electronics are vulnerable to damage from power surges, and multiple components are often damaged in a single surge.

Loss Examples

The following are actual losses.



A motor failed on a lift of a 7 floor motel. The lift was regularly serviced under a comprehensive maintenance agreement. The motor that failed was 50 years old, but it was able to be rewound. In addition to the rewind costs, the overall repair included the costs to transport it to and from the site, install it and commission the lift.

Total Cost: \$36,200



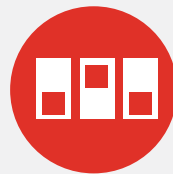
When power was lost the back-up generator automatically started. A coolant hose disconnected itself from the engine block and the genset continued to run until a temperature sensor tripped, resulting in significant internal damage. Parts were not available as the manufacturer had closed the prior year, so the genset had to be replaced.

Total Cost: \$72,525



A heating boiler's heat exchanger became blocked and the flue gases were diverted to exit from the bottom of the boiler, resulting in melted control wiring and irreparable heat damage. In the 2 weeks it took to replace the boiler the rooms went unheated, resulting in a reduction in bookings which were covered under the Insured's gross profits coverage.

Total Cost: \$51,000



A disturbance in the mains power supply resulted in a surge that damaged a variety of equipment in this 24 room hotel, including such diverse items as the under-bench bar fridge, gas heater, dishwasher, split-system air conditioning unit, CCTV, POS terminal and server. The loss also included a few days of POS data which had to be restored.

Total Cost: \$67,920



The breakdown of the insulation of this chiller motor resulted in a flashover, which tripped the circuit breaker. Investigation by a specialist motor rebuilder revealed that the motor had burnt out and there was extensive damage to the stator. Thankfully the motor was able to be rebuilt, as the lead time for a replacement motor was 28 to 30 weeks.

Total Cost: \$84,560