

Vero Equipment Breakdown

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What's at Risk? (Office Buildings)



Professional Office

Equipment examples

- ▼ Air conditioning equipment
- ▼ Electrical switchboard and cabling
- ▼ Back-up Generators
- ▼ Audio visual equipment
- ▼ Elevators
- ▼ Building Management System
- ▼ Electrical panels
- ▼ Security and surveillance equipment
- ▼ Internet connections

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, with bottom-line income protection for today's office buildings, covering you for:

- ▼ **Physical Damage:** the cost to repair or replace damaged equipment, including labour costs.
- ▼ **Expediting Expenses** incurred to speed up temporary or permanent repairs or replacement plus temporary hire costs to keep your tenants happy.
- ▼ **Loss of Rental Income** if that breakdown leads to your tenants withholding rent or moving out.
- ▼ **Service interruption:** extends business interruption cover due to loss of electricity and other services caused by a breakdown of the equipment owned by a 3rd party.
- ▼ **Contribution to 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 expedite repairs so you can return to business with minimal disruption to tenants or loss of income.

For Many Types of Equipment:

Electrical Distribution Systems

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

This can be as simple as a loose connection, dust, vermin, or network power fluctuations and can cause significant costs in time and money.

Air Conditioning

Air conditioning systems contain many parts that can break down and result in costly repairs. A chiller unit can cost hundreds of thousands, refrigerant can be many thousands in addition to this, even in small systems.

Electronic Building/Management Systems

Today's "smart" office buildings contain sophisticated electronic equipment that operate boilers, air conditioning, lights, elevators, fire detection, security systems, modern phone networks etc. Sensitive electronics are fragile and vulnerable to power surges. Circuitry is expensive to repair or replace, especially if incompatibility arises when a component needs replacing.

Loss Examples

The following cases are actual losses incurred in commercial building like yours.



A chiller compressor motor in an air-conditioning system shorted. A rental unit was installed while the system was replaced. Repair costs for the compressor motor were \$104,450, including \$20,460 to clean the refrigerant. The rental unit was on line for two months whilst the replacement system was installed.

Total Cost: \$133,833



Power was turned back on after a blackout and a surge developed in the electrical system damaging various equipment including an air fan, variable speed drive controller, and two 3 phase motors.

Total Cost: \$31,089



An electrical fault caused significant damage to eight floors of vertical busbar in a 30-storey building. This necessitated the rewiring of the entire building, leaving the tenants without power for an extended period.

Total Cost: \$16,500,000



The control board in the drive unit shorted, melting internal wiring. This also caused a high current to be drawn through the transformer resulting in failure of that component. Although replacement control boards were available, transformers were not available separately, requiring replacement of the entire drive unit.

Total Cost: \$30,480



A 4 year old evaporative condenser failed, with no sign of corrosion, and lost a large charge of refrigerant.

Total Cost: \$95,992, of which refrigerant was \$85,560