

# Loss Bulletin

Vero Equipment Breakdown Insurance

## Hotel air gets greener with a new chiller system

### Loss details

#### Nature of business

Luxury Hotel

#### Type of equipment

Air conditioning compressor

#### Age of equipment

20 years old

During a routine maintenance inspection it was discovered that a contactor servicing one of the hotel's air conditioning compressors had failed, causing the compressor to run continuously. The specific cause of the failed contactor remains unknown.

The contactor was replaced and the system was restarted and commissioned. Later the compressor was found to be operating noisily and tripped the fuses on two electrical phases due to high current draw on start up. The technician reported that the compressor rotor and bearings had mechanically seized, likely due to operating non-stop as a result of the original contactor failure.

The cost to replace the compressor was approximately \$33,000, but due to its age and the opportunity to achieve significant savings from improved energy efficiency, the Insured instead elected to replace the entire chiller system.

Under Vero's Additional equipment upgrades and green costs coverage, the Insured was able to claim an additional \$16,500 toward the cost of the new chiller system.

### Final loss

Settlement Amount: \$49,500

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