



# Equipment breakdown

## Vacant buildings



Even though a building is vacant, the potential for damage to equipment related to the building's systems still exists, such as heating, cooling, electrical and refrigeration. Equipment is at risk unless the insured has taken reasonable steps to maintain heat in the building, or water has been drained from the systems or appliances involved and the water supply has been shut off to the vacant building. However, even these steps do not fully protect against loss.

If the heat and utilities are maintained, problems may not be noticed in a vacant building until significant damage occurs. This is especially true with electrical systems, where faults can cause arcing, shorts and fires. Operating boilers left

unmonitored could develop problems that cause severe damage, such as a low water condition. In addition, disruptions to heat during winter months can go unnoticed resulting in freeze damage.

Turning off heat, electric and draining the system can also contribute to losses. Improperly or partially drained systems can freeze and crack. The lack of functional HVAC systems can result in high moisture / humidity levels in the building; which can damage electrical systems and equipment. Equipment Breakdown coverage is vital to avoid the negative business impact of damaged equipment in vacant buildings.

### EXPOSURES

- Air conditioning units
- Boilers
- Communications equipment
- Compressors
- Electric service panels
- Emergency generators
- Engines
- Motors
- Pumps
- Refrigeration units
- Surveillance systems
- Transformers

### Typical losses

Insulation breakdown of an underground electrical feeder cable caused an arcing event and burnt out the main electrical panel of the vacant building. Replacement required excavation of the parking lot, significantly increasing repair costs. Temporary service was run above ground during repairs.

**Property Damage:           \$32,500**

**Extra Expense:             \$15,000**

A 50 ton roof-top air conditioning unit shorted to ground due to a single phase event. The roof-top air conditioning unit needed to be replaced and a rental unit was contracted.

**Property Damage:           \$57,400**

**Extra Expense:             \$8,900**

### LOSS PREVENTION TIP

Mitigate loss by ensuring that alarm and protective systems remain active. Also schedule periodic inspections by management.