

# EQUIPMENT BREAKDOWN FROM CAJUN UNDERWRITERS

## RETAIL, SERVICE AND DISTRIBUTION



Retail, service and distribution businesses have numerous insurable equipment breakdown exposures. Most retail, service and distribution businesses utilize fired and unfired pressure vessels and air conditioning systems with equipment ranging from boilers and air tanks to motors and compressors. All types of business systems are present, including, computers, printers, servers, telephone systems and routers.

Mechanical and electrical breakdowns are the most prevalent causes of loss in retail, service and distribution industries. Breakdown of mechanical or electrical equipment can lead to an interruption of business and, in the case of refrigeration compressors, lead to food spoilage.

Some jurisdictions require boilers and pressure vessels to be inspected by a qualified inspector. These services are provided at no additional charge as part of Equipment Breakdown coverage.

### EXPOSURES

- MOTORS
- EMERGENCY GENERATORS
- TRANSFORMERS
- ELECTRIC SERVICE PANELS
- SWITCHGEAR
- COMMUNICATIONS EQUIPMENT
- COMPUTERS
- SERVERS, ROUTERS
- COMPRESSORS
- PUMPS
- BOILERS
- REFRIGERATION UNITS
- AIR CONDITIONING UNITS

### TYPICAL LOSSES

The compressor supporting the chiller unit mechanically seized due to moisture within the system. A replacement compressor was overnighted and installed the following day.

**Property Damage: \$10,025**  
**Extra Expense: \$800**

Due to a low voltage condition, the compressor supporting the chiller at the shopping mall shorted to ground. Parts were located and the compressor was replaced within a few hours.

**Property Damage: \$12,000**

### LOSS PREVENTION TIP

Have a qualified HVAC Technician check for loose electrical lead connections on refrigeration compressors and check the function of the cooler thermostat to ensure products are being held within an acceptable temperature range.

