



Equipment breakdown insurance townhouse condos Loss bulletin

HSB Canada, part of Munich Re, is a technology-driven company built on a foundation of specialty insurance, engineering, and technology, all working to drive innovation in a modern world, to keep you ahead of risk.

Equipment owned or leased by townhouse condo corporations includes transformers, emergency generators, cables and security systems. Amenities such as gyms, swimming pools, and recreation and party rooms utilize equipment supplying heat, air conditioning and electrical power.

Commercial property policies typically exclude loss or damage caused by mechanical breakdown,

electrical arcing and explosion of boilers and pressure vessels, exposing corporations to financial losses such as direct damage, loss of rental income, and extra expense such as temporary rental equipment.

Equipment breakdown is now a more common and greater risk, with most equipment containing sensitive and fragile technology which can damage easily.



Power surge causes electrical damage

A power surge related to a utility power outage caused damage to the air conditioning equipment and fire alarm system of a condo.

– Insured losses: \$51,000

Swimming pool boiler

A short circuit in an electrical connection box produced a total shutdown of a swimming pool boiler's pump and a low water cut-off device. As a result, the boiler 'dry fired', causing overheating and cracking, requiring replacement.

– Insured losses: \$15,000

Transformer

The burnout of a condo's transformer caused interruption to the electrical power to common elements.

– Insured losses: \$50,000

Air conditioning units

Birds flew into high voltage lines connected to transformers for a community housing complex, disrupting the power supply and damaging air conditioning units. Extensive repairs were necessary.

– Insured losses: \$204,000