



Home systems loss examples

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.

Today's homes are filled with equipment that homeowners depend on for basic comfort and services.

Heat, electricity, air conditioning and hot water are just a few of the daily necessities supplied by mechanical equipment that's become more complex, costly, and prone to break down. And the risk to higher end homes is even greater.

Main electrical panel

A main electrical panel's circuit breaker failed to trip as designed, overloading and overheating wiring, lighting switches, outlets and appliances, which had to be replaced along with the circuit.

– Total loss: \$13,992

Air conditioning systems

An air conditioning compressor operating in an overheated condition for an extended period failed electrically and had to be replaced.

– Total loss: \$5,101

Condenser tubing in a central air conditioning system cracked due to thermal stresses. The tubes were not accessible for repair and had to be replaced.

– Cost to repair: \$3,100

Built-in dishwasher

Repair was not viable when a broken shaft caused a dishwasher to break down.

- Cost to replace: \$1,700

Built-in stove

A built-in stove was replaced when out-of-date controls broke down.

- Cost to replace: \$3,750

Boiler

In the depths of an especially cold winter, sediment build-up caused two sections of a cast iron boiler to crack, causing the boiler to break down. A weekend rush job to replace the sections and restore the boiler to normal operating condition resulted in:

- Cost to repair: \$2,300, plus
- Loss of use: \$340 hotel expense

Boiler

A faulty circuit in a water pump caused the boiler used to heat a residence to continuously fire without adding water for cooling. This resulted in the cracking of six sections of the boiler. Replacement was required.

- Cost to dispose of the old boiler, replace it with a new boiler, (including labour), and two-night hotel stay: \$6,325,

Deep well pump

The intrusion of sand into a deep well pump serving a rural home caused the impeller to fracture. Water was cut off to the home and repairs required excavation and removal of all the well piping to replace the pump.

- Total loss: \$2,800
- Additional \$350 was paid for hotel expense due to loss of use of the home for the weekend.

Elevator

An elevator hydraulic pump failed.
Cost to repair: \$4,500

Emergency generator

An engine driving an emergency generator broke down when the lube oil pump failed. Damage to the engine and generator bearings and rotating elements required replacement of the entire unit.

- Cost to replace: \$6,500

Hot tubs

A broken ozonator on an outdoor hot tub was caused by the burnout of electrodes.

- Cost to replace ozonator: \$2,500



A hot tub suffered a mechanical failure to the pump discharge housing from excessive vibration.

- Cost of replace the pump: \$600
- Custom marble and tile work required to access the pump: \$1,200
- Total loss: \$1,800

Furnace

A broken fan/blower caused damage to other parts in a furnace, requiring its replacement.

- Cost after installation: \$3,800

Greenhouse

A crack in the boiler caused by scale resulted in greenhouse heating failure.

- Cost to replace boiler: \$5,500

Swimming pool heater

The tube in a propane-powered water heater ruptured, resulting in the need to replace the water heater.

- Replacement cost of new installed heater: \$2,500



Water heater

The failure of the water temperature control device in an oil-fired hot water heater resulted in the burner continuing to burn and boil out all the water in the vessel. Sudden entry of cold water on the overheated surface led to complete destruction of the vessel.

- Replacement cost: \$2,100

Heat pump

Overuse of a heat pump system caused a mechanical failure of the compressor.

- Replacement cost of compressor and refrigerant: \$1,872

Indoor ice skating rink

An indoor ice skating rink compressor suffered a mechanical failure due to an improper refrigerant charge.

- Cost of rebuilding the compressor: \$2,800

Chair lift

A chair lift's gear box suffered mechanical failure due to stress.

- Cost to replace gear box: \$1,500

Walk-in refrigerator

A walk-in refrigerator suffered mechanical breakdown due to a broken compressor crank.

- Cost to repair: \$2,000

Dehumidifier

A home dehumidifier unit sustained mechanical damage and was replaced by a new unit since repairs would have cost more.

- Total loss: \$6,044

Pool filter

A pressurized pool filter cracked from mechanical failure whilst in operation.

- Total loss: \$3,450

Intercom

A home intercom system failed due to an electrically-caused failure of an internal component.

- Total loss: \$2,272

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These examples summarize actual and possible losses and coverage.

For all terms, conditions and exclusions, consult the actual policy.

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