



# Apartments/Condominiums

**P**roper maintenance of the low-water cutoff device on a boiler is a critical element in reducing boiler losses at apartments and condominiums. Whether or not apartments or condominiums actually have boilers, they certainly all have insurable Equipment Breakdown exposures. Some high-rise apartment buildings will have central heating systems and many will also have central air conditioning systems. Garden-style complexes often have individual heating and air conditioning units. Additionally, electrical distribution systems represent significant and frequent exposure to loss. Underground cables can present large exposures due to the expense and time involved with replacement. While electricity is the most frequent utility service lost, the lack of steam, heat, gas or water can also create periods of interruption significant enough to cause the loss of rents.

## Typical Losses

**Apartment:** A cast-iron boiler experienced a low-water condition and was destroyed. This condition resulted from a failure of the feed water system and the low-water cutoff. This type of loss is preventable by properly maintaining the low-water cutoff device. Replacement took five days and resulted in a refund of rent.

**Property Damage:** \$12,760

**Loss of Rent:** \$17,000

**Garden-Style Complex:** An underground electrical cable shorted leaving two buildings without power. Temporary service was restored within 12 hours. Excavation was required to replace the cable increasing the property damage loss significantly.

**Property Damage:** \$25,890

## Exposures

### Boilers and Pressure Vessels

Boilers  
Fired Vessels  
Fired Water Heaters  
Unfired Vessels  
Refrigeration Units  
Air Conditioning Units

### Mechanical Equipment

Compressors  
Pumps

### Electrical Equipment

Motors  
Emergency Generators  
Transformers  
Computers  
Switchboards  
Distribution Systems

### Time Element

Business Interruption  
Extra Expense  
Service Interruption

## Loss by Peril

|                              | % of losses |
|------------------------------|-------------|
| Electrical Breakdown         | 45          |
| Mechanical Breakdown         | 37          |
| Pressure Equipment Breakdown | 16          |
| Service Interruption         | 2           |

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