



**WELCOME TO ST. PAUL TRAVELERS BOILER & MACHINERY**

- SENIOR MANAGEMENT TEAM (left to right)**
- SEETA HILTON** - Operations
  - CHUCK SCHABER** - Engineering
  - DOUG DOOREN** - Eastern Region VP
  - TIM PIERCE** - Western Region VP
  - DAVE WOLFE** - Central Region VP
  - LARRY GORDON** - Claims
  - HEATHER HOOVER** - BoilerExpress
  - ANTHONY GIANNONE** - Vice President



As Main Street goes high tech, businesses large and small increasingly depend on sophisticated equipment to run their operations. St. Paul Travelers Boiler & Machinery is right there with them. We don't just offer "boiler" insurance, but Equipment Breakdown Insurance also – which can be tailored to cover anything from heating and ventilation equipment to the latest technology upgrades.

St. Paul Travelers backs up its boiler and machinery products with unparalleled service – including personalized claim handling, centralized policy processing and 24-hour response on quotes – as well as risk control expertise from over 750 field consultants and engineers.

Let's face it, equipment breakdowns happen. In fact, business owners across America lose millions of dollars annually because of them. Breakdowns come without warning. They can wreak havoc on any business, in some cases with devastating effect.

But if business owners have coverage through St. Paul Travelers Boiler & Machinery, they can rest assured they'll receive quick claim response to minimize downtime for their operations.

When you figure that the cost of Equipment Breakdown Insurance is typically a fraction of the total cost of property casualty insurance protection, it's a small price to pay for ensuring healthy businesses in this 21st century.

We urge you to review what we have to offer on the following pages and consider contracting with us. We promise you that St. Paul Travelers Boiler & Machinery coverages and services are second to none.

Anthony Giannone  
Vice President, St. Paul Travelers Boiler & Machinery

**PRODUCTS FOR THE TIMES**

St. Paul Travelers Boiler & Machinery products address critical coverage gaps found in typical Property policies. Our policies can cover losses caused by the breakdown of a variety of insured equipment such as:

- o Air conditioning and refrigeration systems
- o Heating and ventilation equipment
- o Communications and electronic systems
- o Production machinery
- o Pumps and compressors
- o Turbines
- o EDP systems
- o And of course...boilers and pressure vessels

Further, coverage can be extended to include:

- o Spoilage of food or other property due to mechanical breakdown of refrigeration or production equipment
- o Demolition and increased cost of reconstruction
- o Diagnostic equipment

## **EASY, FLEXIBLE ACCESS**

St. Paul Travelers' specialized boiler and machinery expertise is readily available to agents and brokers through:

**A National Field Network** – Boiler & Machinery experts are located in St. Paul Travelers field offices countrywide, providing local service to quickly respond to customers' individual needs.

**St. Paul Travelers BoilerExpress Unit** – Over 30 Boiler & Machinery experts stand ready to service your agency, providing 24-hour response on quotes and five-day turnaround on policy issuance.

## **ENERGYMAX 21**

St. Paul Travelers offers distinctive coverage via our new, proprietary ENERGYMAX 21 Equipment Breakdown Insurance policy. ENERGYMAX 21 is designed to cover specific gaps found in typical Property insurance policies, and provides broad, flexible coverage options. Depending upon the exposures, it can be tailored to offer various options and levels of coverage, including:

- o **“Next Generation” Coverage** – Replaces unrepairable equipment with state-of-the-art technology at up to 125 percent of replacement value.
- o **No “In Use” Restriction** – Coverage extends to disconnected or inoperable equipment – not just equipment currently in use.
- o **Broad Coverage for Newly Acquired Locations** – Offers business income and extra expense coverage, in addition to physical damage coverage, for newly purchased or leased locations.
- o **Brands and Labels Coverage** – Enables insureds to re-label damaged, branded merchandise. Should such merchandise be sold under a lower-cost brand, we also reimburse for lost revenue.
- o **Automatic Coverage for Errors in Description** – Protects against unintentional errors in location schedule specifications.
- o **Standard Ordinance or Law Coverage** – Reimbursement for costs related to demolition and the higher cost of reconstruction attributable to more stringent building codes in the area.
- o **Selling Price Valuation** – For all property held by an insured for sale.
- o **Extended Warranty or Maintenance Service Contract** – Covers loss of unused warranty or service contract costs.

## **CLAIM SERVICES**

At St. Paul Travelers, our mission is to rapidly respond and then closely manage each claim to resolution. To deliver on our promise of results-driven claim services, we have claim professionals dedicated specifically to boiler and machinery business. Located in claim centers throughout the country, and backed by the St. Paul Travelers engineering infrastructure, they are extremely responsive. A claim professional is designated for each investigation and will work with you to develop a process that will drive results

### **High Tech and High Touch**

Claims can be reported 24 hours a day, 365 days a year. We can be reached by toll-free phone, fax, or via the Internet.

### **Expert Customer Service**

St. Paul Travelers' dedication to customer service has led to the development of one of the most advanced, comprehensive claim management systems in the industry.

By recognizing that “one size does not fit all”, St. Paul Travelers allows its customers more options and choices in claim service delivery than our competitors. We've struck the right balance of lower costs, uniform claim management and locally driven claim settlement approaches. The balance boils down to this: expert customer service.

## **RISK CONTROL**

Lower loss costs. Safer workplaces. Your boiler and machinery insureds can realize both with St. Paul Travelers Risk Control services. We have more than 750 field consultants and engineers across North America ready to work with you and your clients. They can uncover potential hazards or minimize the effects of accidents when they occur.

Our Risk Control professionals can conduct a comprehensive engineering survey to help determine:

- o Dependency/versatility of power supply
- o Identification of critical equipment
- o Availability of spare or rental equipment
- o Adequacy of contingency plan

### **Statutorily-Mandated Equipment Inspections**

We have an entire team of board-certified engineers dedicated exclusively to servicing the complex boiler and machinery business. All are commissioned to provide jurisdictional inspection services required by statute. These engineers can also assist in establishing maintenance and repair programs for all types of mechanical and electrical equipment. Plus, if needed, we will work with insureds to identify when predictive services can assist in their operations.

# TYPICAL LOSSES

## OFFICE BUILDING

A 200-ton chiller froze due to control failure. Since it was summer, a rental unit had to be brought in until the main unit was returned to service.

**Loss: \$31,000; Extra Expense: \$11,500**

## RESTAURANT

A 100-ton hermetic air conditioning system suffered a motor burnout due to single phasing, requiring complete rewind.

**Loss: \$12,050**

## FRATERNAL ORGANIZATION

A cast iron boiler overheated due to a low water condition. The low water cutout failed to shut the burner off. The boiler had to be completely replaced.

**Loss: \$25,500; Business Interruption: \$7,500**

## RESTAURANT

A water heater overheated and ruptured due to a control failure and a malfunctioning relief valve. The building also suffered water damage.

**Loss: \$72,000; Business Interruption: \$42,100**

## HYDROPONICS FARMING

An entire crop of cucumbers was lost due to the failure of an environmental control computer that shut down after a mouse damaged a circuit board.

**Loss: \$1,463  
Consequential Damage  
and Business Interruption: \$180,000**

## HOTEL

An incoming voltage surge resulted in the failure of both the communication and environmental control systems.

**Loss: \$120,000; Business Interruption: \$210,000**

## DEPARTMENT STORE

A 30-horsepower dc elevator motor failed due to short circuit between windings. The motor, which was replaced, was located in the 15th floor penthouse.

**Loss: \$3,200 for the motor, plus \$8,000 for rigging.**

## MANUFACTURING FIRM

A 1000 kva transformer failed due to a supply line switching surge. A rental unit was located within two days and used until the owned transformer was rewound.

**Loss: \$18,000; Extra Expense: \$24,000**

## MACHINE SHOP

The tail stock on a large lathe failed due to fatigue, dropping a turbine rotor while it was being machined.

**Loss: \$138,900; Extra Expense: \$25,000**

## SEWAGE TREATMENT PLANT

A large air blower seized up due to a lubrication failure, resulting in the curtailment of sledge treatment. A rental blower was brought in until repairs were completed.

**Loss: \$33,100; Extra Expense: \$8,700**

## HOTEL

A large steam turbine driven centrifugal compressor failed due to lubrication problems, resulting in loss of air conditioning to the main ballroom and meeting areas.

**Loss: \$42,500; Business Interruption: \$132,000**

## RETAIL STORE

A 75- horsepower reciprocating air conditioning compressor failed due to liquid slugging.

**Loss: \$5,780**

## MANUFACTURING FIRM

Severe overheating of a watertube boiler occurred due to a low-water condition, resulting in loss of about 40 percent of the tubes.

**Loss: \$31,300; Business Interruption: \$130,000**

## SERVICE STATION

An air receiver, with a compressor mounted directly on the tank using welding supports, had to be removed from service due to cracking from vibration.

**Loss: \$4,750**

## PHARMACEUTICAL OPERATION

A computer malfunction caused by the spillage of a can of soda on the keyboard resulted in an interruption to the circulation of water in a seaweed bed. Damage to the seaweed caused the loss of a quantity of extract used in the manufacture of a specialized drug.

**Loss: \$1,250; Business Interruption: \$216,000**

## SUBURBAN HOSPITAL

An emergency generator failed during a weekly test. It was found that the generator needed to be completely rewound. A rental unit had to be secured until repairs were completed.

**Loss: \$31,000; Extra Expense: \$8,900**

## URBAN HIGH SCHOOL

A failure occurred in the low voltage switch gear that fed the entire school. Due to its construction, the failure spread throughout the entire switch gear line up.

**Loss: \$230,000**

## LARGE DAIRY OPERATION

A mechanical vapor re-compressor in the mild evaporation cycle suffered a rotor failure, effectively stopping processing of milk into powder.

**Loss: \$248,800; Business Interruption \$754,000**

## SMALL PAPER MILL

The small steam turbine driving the paper machine went into overspeed, resulting in the destruction of the turbine and the line shaft driving the paper machine.

**Loss: \$42,300; Business Interruption: \$280,000**

## TYPES OF EQUIPMENT

### AIR CONDITIONING AND REFRIGERATION EQUIPMENT

Air conditioning equipment has become critical to business and service operations to maintain temperature control for either comfort or process needs.

The St. Paul Travelers ENERGYMAX 21 policy insures against the accidental breakdown of air conditioning and refrigeration system components including motors, compressors, coils, pressure vessels and controls.

### BOILERS AND PRESSURE VESSELS

Most businesses, including manufacturing, retail and service, plus other occupancies such as apartments, schools, churches and fraternal organizations, are dependent on boilers to provide heat or process steam for manufacturing operations.

Pressure vessels can be found in compressed air systems. Many hospitals and food service operations use them in conjunction with sterilizers and cookers. The St. Paul Travelers ENERGYMAX 21 policy provides coverage for the accidental breakdown of boilers and pressure vessels.

### BUSINESS EQUIPMENT

The competitive edge of modern business operations is the use of sophisticated equipment and systems. Computer-controlled telecommunications systems, full building energy management systems, and distributed control systems also operate production businesses.

The St. Paul Travelers ENERGYMAX 21 policy provides protection against accidental breakdown to these critical components.

### ELECTRICAL EQUIPMENT

Virtually all manufacturing, retail and service businesses depend on electrical equipment in their operations. Electrical system failures are among the most common and costly types of equipment breakdown losses.

The St. Paul Travelers ENERGYMAX 21TM policy offers coverage against the breakdown of motors, generators, transformers, switch gear and electrical related equipment.

### MECHANICAL EQUIPMENT

Commercial and manufacturing operations depend heavily upon mechanical equipment. This can vary from compressors to pumps, from steam turbines to punch presses, or from rotating dryers to gear sets.

The St. Paul Travelers ENERGYMAX 21TM policy provides coverage for the breakdown of such mechanical equipment.

## FREQUENT TYPES OF LOSSES

- Loss of electric motor due to single phasing or water leakage into refrigerant.
- Loss of compressor due to liquid slugging or lack of lubrication.
- Heat exchanger tube failure.
- Failure of system controls due to voltage surges.
- Loss of evaporator tubing due to internal vibration or chiller freeze-up from control failure.

- Boiler tube failure due to scale buildup inside the tubes.
- Cast iron boiler "burnout" due to failure of the low water fuel cutout.
- Air tank failure from cracking due to external vibration.
- Hot water heater overheating and rupturing due to control malfunction.
- Process vessel failure due to internal cracking.

- Circuit board failure due to voltage spike.
- Failure of control system due to ground fault.
- Communications system failure due to excessive moisture in operating cabinets.
- Computer system failure due to supply voltage surge.

- Motor failure due to single phase operation or loss of lubrication.
- Transformer failure due to line voltage surge or insulation deterioration.
- Cable or bus duct failure due to loose connections or insulation deterioration.
- Generator failure due to winding burnout or prolonged overload.
- Control failure due to poor contacts or lack of maintenance.

- Bearing or shaft failure from loss of lubrication.
- Coupling failure due to overload.
- Gear tooth failure due to misalignment or lubrication problems.
- Mechanical press frame failure due to double blanking or overload.
- Steam turbine failure due to excessive overspeed.



**BoilerExpress**

For quick turnaround on your Boiler & Machinery business, contact St. Paul Travelers BoilerExpress.

**PHONE: 800.253.1304**

**FAX: 800.332.7229**

**24-HOUR RESPONSE**

Quick turnaround is what BoilerExpress is all about. Centrally located, this nationwide tele-underwriting unit was set up to exclusively service the fast-paced nature of underwriting boiler and machinery business. It offers our agents and brokers 24-hour response on quotes, and five-day turnaround on policy issuance. With BoilerExpress you get:

**SERVICE**

Quotations can be provided within 24 hours using the BoilerExpress one-page application, available online at [www.stpaultravelers.com](http://www.stpaultravelers.com) in the Business Insurance section. Policies are issued within five business days of binding. Toll-free phone and fax numbers provide instant access.

**ENGINEERING, CLAIM AND POLICY PROCESSING**

BoilerExpress customers can expect the same full level of dedicated service enjoyed by all St. Paul Travelers clients.

**ST. PAUL TRAVELERS BOILER & MACHINERY IS READY TO HELP**

EASTERN REGION	800.842.2981
CENTRAL REGION	800.842.0618
WESTERN REGION	800.842.8577
BOILER EXPRESS	800.253.1304
BOILER INSPECTIONS	800.425.4119
CLAIM	800.835.1291



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