



OSBIE

ONTARIO SCHOOL BOARDS'
INSURANCE EXCHANGE

Boiler & Machinery (Equipment Breakdown) Insurance

This summary is intended to highlight the coverages, and limits in place on the OSBIE policy, and provide some general information about the types of situations that might lead to a claim.

What does the policy cover?

In the event of an Accident occurring during the Policy Period to an insured Object, OSBIE will indemnify the school board for loss to board owned property, or property of others in the board's care, custody and control, directly damaged by the Accident.

Effective January 1, 2020 the policy limit is \$5,000,000, subject to the following sub-limits:

Expediting Expenses	\$250,000	Hazardous Substances	\$250,000
Data & Media	\$250,000	Professional Fees	\$250,000
Ammonia Contamination	\$250,000	Water Escape	\$250,000
Consequential Damage	\$10,000		
Business Interruption/Extra Expense	\$250,000		

The policy includes the cost of jurisdictional inspections required for boiler and pressure vessels under the [Technical Standards and Safety Act, 2000 ONTARIO REGULATION 220/01](#). These inspections are conducted by the insurer, but it is the responsibility of the owner to identify the equipment requiring inspection and to ensure that equipment is in full compliance and up to date. OSBIE will be using the member portal to identify and arrange for such inspections.

What is an accident?

An accident is the sudden and accidental breakdown of an Object (or its parts) that results in physical damage to the Object that requires repair or replacement.

What types of objects may be included in the coverage & what are some claims examples?

Boiler & Pressure Vessel Objects

Any boiler, condensate return tank, fired pressure vessel, metal unfired vessel or any A.S.M.E. approved fibreglass reinforced plastic vessel normally subject to vacuum or internal pressure other than static pressure of contents, refrigerating or air conditioning vessels and piping, or metal piping and its accessory equipment.

Claim Examples

1. The boiler (object) at a high school overheated and cracked when scale accumulation blocked the water flow. The boiler shut down and water escaped, damaging contents stored nearby.

The Boiler & Machinery (Equipment Breakdown) Policy will respond to the damage to the boiler (object), and the resultant water damage is covered by the Property Policy.

2. Due to a power outage, tubes within the cooling tower unit (object) froze. The unit had to be replaced. The board paid a higher charge to expedite the delivery of the new unit and incurred costs for temporary repairs to maintain heat in the building.

The Boiler Policy will respond to replace and install the new cooling unit, and the increased delivery charge and temporary repairs would be subject to a \$250,000 Expediting Expense sub limit.

Electronic Objects

Any electronic equipment used for the generation, control, transmission, reception, recording, reproduction, playback or other use of television, radio or telephone signals.

Claim Examples:

1. Work on hydro lines down the street from an elementary school causes a power surge that overloads the transformer (object). The transformer arcs and fire ensues, spreading to the school building. The school must rent generators for two months while waiting for a new transformer. This creates an Extra Expense for the rental and fuel for the generator.

The Boiler & Machinery (Equipment Breakdown) Policy will respond to the damage to the transformer. The Boiler & Machinery (Equipment Breakdown) Policy will respond to the Extra Expense incurred subject to the sub limit of \$250,000 (noted under Business Interruption). The Property Policy responds to the fire damage to the school.

2. A power surge was created once the power was restored to the building following a power outage. The school's fire alarm system (object) and telephone system (object) were damaged.

The Boiler & Machinery (Equipment Breakdown) Policy will respond to this accident.

Mechanical Objects

Any mechanical or electrical machine or apparatus which generates, transmits or utilizes mechanical or electrical power.

Claim examples

1. The automatic air vent (object) for the heating system malfunctioned, causing water/glycol mixture to escape resulting in damage to the school and some contents.

The Boiler & Machinery (Equipment Breakdown) Policy will respond to the damage to the air vent and the resulting damage to the school property will be covered under the Property Policy.

2. Bearings in a motor that powers the HVAC unit (object) failed causing damage to other components within the unit.

The Boiler & Machinery (Equipment Breakdown) Policy will respond to this accident.

This document is intended to illustrate situations where Boiler and Machinery (Equipment Breakdown) insurance might apply and is not intended to be used to interpret coverage. As with all insurance policies this policy is subject to various sub limits, exclusions, provisions, terms & conditions.

**Serving Ontario school boards
since 1987.**