



Introducing Mechanical Inspection Services

Risk Management for Complex Residences

Exceptional Homes, Exceptional Needs

Over the last few years, residences selling for \$10 million and over have been one of the strongest segments of the luxury home market.¹

As high-end homeowners increasingly upgrade to larger dwellings, their already-complex coverage needs become even more specialized. Residences of this magnitude come with intricate electrical, heating and plumbing systems — comparable to those of commercial properties. Without the appropriate expertise and maintenance, equipment malfunction can result in devastating losses.

State-of-the-Art Technology, Decades of Experience

The loss prevention experts at AIG Private Client Group are pleased to offer a complimentary* mechanical inspection service to help policyholders avoid property damage due to equipment failure. Using the latest technology, we can identify — and offer advice to remedy — potentially problematic conditions before a loss occurs. Our in-house engineer, Steve Felton, has nearly 30 years of commercial machinery inspection expertise ... and he's at your service.

System Failures Happen ...

A homeowner returned from vacation to find a large water stain on the living room ceiling and water dripping onto a cherished piece of antique furniture. The source of the water was condensation from an air conditioning system located above the finely furnished area.

... But They Don't Have To

The loss described above may have been avoided, or damages drastically reduced, if the air conditioning system's condensation tray had been fitted with an overflow protection device. The protection device senses water backing up in the drain piping and drip pan. It shuts down the cooling system and sends a signal to a monitored alarm system as soon as water accumulation is detected.

¹ "The boom in 8-figure homes." March 7, 2005. CNNMoney: www.cnnmoney.com.

* Complimentary for select policyholders. Please contact your insurance broker to determine eligibility.



Custom, Full-service Inspections

Our mechanical inspection service is exclusive to AIG Private Client Group and complimentary for select policyholders with complex homes. We can employ a range of techniques depending on your needs and the features of your residence. Examples include:

- 1)** An in-depth inspection of all major mechanical systems: electrical systems, air-conditioning, back-up electrical generators, heating systems, fire protection systems, home electronics, alarm systems and more
- 2)** Thermography; an infrared camera is used to detect:
 - Overheating or trouble spots within the home's electrical distribution system
 - Moisture in walls or ceilings, which may indicate leaks or the potential for mold
- 3)** A customized report detailing problem areas and proactive steps to help avoid losses

Key Benefits

- Reduce the likelihood of potentially catastrophic losses and damage to priceless belongings
- Avoid the inconvenience that often comes with repair work
- Ensure adequate maintenance of major mechanical systems and equipment
- Receive exceptional technical expertise delivered with discreet, “concierge-level” service





Large Losses Averted

These real-life scenarios showcase the hidden dangers that may reside within a home's mechanical systems:

Multiple Threats in One Home

Each of the following was identified, and corrected, in a \$12 million California residence:

- 1)** The boiler system was over-pressurized, and safety relief valves were consequently damaged. Left unchecked, this condition could have resulted in an explosion.
- 2)** Moisture had seeped into the main electrical distribution room — a condition that could have become lethal to anyone standing on a wet floor near the energized service panel.
- 3)** The sprinkler head in the swimming pool pump room was corroded from prolonged exposure to pool chemicals, rendering it inoperative when it would be needed most: in case of fire.

Improper Installation

The owners of a home that had recently undergone construction wisely purchased a water leak detection system. *However*, many of the detectors had not been installed or were improperly installed, leaving the home largely unprotected — and the homeowners with a false sense of security.

Potential Fire Hazard

During a thermographic inspection, a circuit breaker was found to be operating above its normal design temperature. Armed with our loss prevention report — which contained detailed thermographic imagery pinpointing the source of the problem — the policyholder's electrician was able to correct the problem in minutes. If left unchecked, the overheated breaker could have resulted in a devastating fire.



Frequently Asked Questions

What is a mechanical inspection?

A mechanical inspection is a detailed survey of a property (including electrical systems, air conditioning, back-up electrical generators, heating systems, fire protection systems, home theaters, alarm systems and more) to identify potential loss-producing conditions before they occur.

Inspections encompass visual checks and, when appropriate, a thermographic survey of the property's electrical distribution system. A custom loss prevention report detailing problem areas and steps to take to avoid losses is then created and sent to the homeowner.

Why is AIG Private Client Group providing this service?

We have noticed startling losses in large residences that could have been easily avoided had a comprehensive mechanical inspection (such as those routinely undertaken by commercial properties) been completed.

AIG Private Client Group is dedicated to helping our clients reduce loss. We implemented mechanical inspection services as part of our holistic risk management program.

How do I access this service?

Our mechanical inspections are designed for homes with particularly complex systems, much like one would see in a commercial building. These dwellings typically carry a replacement cost of \$10 million or more. Check with your independent insurance broker if you are not sure of your eligibility.

Who will conduct the inspection?

The inspection will be conducted — *with the utmost discretion* — by Steve Felton, our in-house loss prevention engineer. Over the course of his career, Steve has inspected thousands of commercial sites, saving clients millions in potential loss costs. He is a member of the National Board of Boiler and Pressure Vessel Inspectors, and the American Society of Mechanical Engineers. Steve is also a Certified Level II Thermographer.

How does this program differ from AIG Private Client Group's standard loss prevention consultation?

All of our policyholders are entitled to a complimentary consultation by a residential loss control expert.

However, larger homes require more specialized expertise. Our mechanical inspection service is designed for homes containing systems (electrical and otherwise) that are comparable to those within a commercial building. Professional certification is required to conduct inspections of this magnitude.

Does anyone need to be on-site during the inspection?

In addition to you and/or your property manager, your electrical contractor should be present during electrical inspections. He/she can remove covers on electrical panels and, if needed, fix any deficiencies noted.

How long does the inspection take?

It can take anywhere from one hour to several hours, depending on the size of the property and extensiveness of the systems.

Is this service available through any other insurance company?

No. This program was created by, and is exclusive to, AIG Private Client Group.

Are there other benefits to gain from mechanical inspections?

In addition to helping prevent potentially catastrophic losses, the program can promote proper upkeep and maintenance of essential equipment. It also may help stabilize insurance costs by sustaining a favorable loss history.

To learn more or to schedule an on-site inspection, please contact your independent insurance broker. You are also welcome to contact our resident engineer:

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Our survey of our customer's premises is for underwriting purposes and to assist our customers in their loss control activities. However, no responsibility is assumed for the discovery and elimination of hazards, which could possibly cause accidents or damage, nor do we certify to the adequacy of any water supply system or the proper functioning or adequacy of any fire protection system at any premises that is inspected. Compliance with submitted recommendations in no way guarantees that there will be no losses from the hazards identified, or that they comply with obligations as may be required by any local, state or federal law.

