

Church Program Policyholders Need Equipment Breakdown Coverage

Equipment keeps all kinds of businesses going. When equipment breaks down, it can bring daily operations and income to a halt.

Today's equipment contains highly sensitive technology that is often damaged by something as common and sudden as a power surge.

Traditionally property coverage excludes equipment breakdown losses, leaving religious institutions exposed to unbudgeted losses. Breakdowns can be extremely costly and often negatively impact the bottom line.



Equipment Breakdown Coverage Provides More Than the Cost of Repair.

It can pay for:

- Direct property loss – the cost to repair or replace the damaged equipment
- Expediting expenses
- Loss of income and extra expense
- Service interruption
- Spoilage due to a covered equipment breakdown

Protection from damage caused by:

- Short circuits / electrical arcing / power surges
- Steam explosion
- Mechanical breakdown
- Centrifugal force

Why is this coverage needed?

All churches have equipment breakdown exposures, including tenants.

Examples of Covered Equipment include:

- Electrical distribution systems
- Heating and cooling systems
- Refrigeration systems
- Phone systems
- Business and office equipment
- Elevators and escalators
- Security and alarm systems
- Audio and video equipment
- Processing and production equipment

Covered Equipment Can Be Categorized Into The...



Ask Your Policyholder:

- Would your members go elsewhere if your heating and cooling system failed?
- If your main circuit breaker panel failed, could you stay open? How much income would you lose?
- Would you be able to service members if your phones or business equipment were damaged by a power surge? What would it cost to replace these systems?
- What is the value of your air conditioning, refrigeration, freezers or ice machines? Do you budget for equipment repair and replacement? What value do you place on your perishable goods?

It happened to them, it can happen to you!

1. Electric

- Underground electrical cables serving a synagogue shorted out, cutting off power to the building. A rental generator was installed and operated for several days until the cables could be replaced. **Total paid loss - \$158,532.**
- A power surge at a church caused extensive arcing and melting of switches in the building's 3,000 amp main electrical switchgear. The church operated on partial power until the switchgear was replaced. **Total paid loss - \$74,024.**

2. Air Conditioning & Refrigeration

- An evaporator malfunctioned, causing damage to a compressor in a church's air conditioning system. **Total paid loss - \$45,420.**
- A refrigerator motor shorted out in a church kitchen due to a power surge. **Total paid loss - \$43,722.**

3. Boilers & Pressure Vessels

- A church' cast iron boiler suddenly broke down because a section overheated due to a low-water level. Temporary repairs were made to supply the church with heat until a new boiler could be installed. **Total paid loss - \$12,266.**

4. Computers & Communications

- A power surge ruined components in two video projectors used to transmit religious services throughout a church complex. **Total paid loss - \$86,392.**
- An electrical surge damaged the computer system. The loss included \$2,100 for data recovery, \$2,755 for installation of a new hard drive and \$3,973 for business income. **Total paid loss - \$8,828.**

5. Mechanical

- The motor for a chiller compressor burned out, knocking out air conditioning in a Texas church. **Total paid loss - \$35,594.**
- An elevator in a church lost hydraulic fluid, causing the 15 hp pump motor to overwork and short out. The motor, piston and sleeve were replaced. **Total paid loss - \$8,340.**

6. Renewable/Alternative Energy

- Two electrical inverters of a photovoltaic solar panel system were damaged. \$102,000 for replacement, plus \$10,000 for extra expense for purchasing electricity that would have been provided by the solar panel system. **Total paid loss - \$112,000.**

7. Production

- A transformer was damaged, resulting in a power imbalance to the church. The condition damaged the photo copier. **Total paid loss - \$5,400.**