

Businessowners Need Equipment Breakdown Coverage

Equipment keeps all kinds of businesses going. When equipment breaks down, it can bring business 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 business owners 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 business 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 businessowners have equipment breakdown exposures, including tenants.

Examples of Covered Equipment include:

- Electrical distribution systems
- Heating and cooling systems
- Refrigeration systems
- Telecommunications, business and office equipment
- Electronic cash registers and scanners
- Elevators and escalators
- Security and alarm systems
- Medical and diagnostic equipment
- Processing and production equipment

Covered Equipment Can Be Categorized Into The...



Ask Your Policyholder:

- Would your customers go elsewhere if your heating and cooling system failed?
- If you suffered a major breakdown how much income could you afford to lose during downtime?
- What would it cost to replace damaged systems and do you have emergency funds to cover this expense?
- Did you know that perishable goods includes items such as drugs, blood, food stock, beverages, plastic, wood and adhesive products?

It happened to them, it can happen to you!

1. Electric

- **Convenience Store** – Electrical arcing damaged a power panel and a gasoline controller computer. The computer system would no longer properly track sales and fuel inventory. **Total paid loss - \$10,337.**
- **Auto Service Facilities** – A power surge damaged electrical equipment in a service station store and car wash, including fuel pump readers, security cameras, an air compressor motor, automatic doors and various washing equipment. **Total paid loss - \$54,785.**

2. Air Conditioning & Refrigeration

- **Attorney's Office** – An off-site electrical line disturbance damaged the air conditioning system. **Total paid loss - \$10,051.**
- **Grocery Store** – A refrigeration pipe cracked due to excessive vibration. **Total paid loss - \$8,308.**

3. Boilers & Pressure Vessels

- **Funeral Home** – A boiler overheated due to excessive scale and lack of maintenance. The boiler was replaced. **Total paid loss - \$14,000.**
- **Office Building** – A low water condition caused the boiler of an office building to overheat. The property manager was able to provide heat for the building using a second boiler until the damaged unit was replaced. **Total paid loss - \$58,000.**

4. Computers & Communications

- **Quick Print Shop** – An electrical utility line disturbance damaged the printing computer system. **Total paid loss - \$31,353.**
- **Restaurant** – A power surge damaged telephones, satellite receivers and other components of a point-of-sale system used to track orders and checks. Since spare parts were no longer available, the system had to be replaced. **Total paid loss - \$85,693.**

5. Mechanical

- **Deli** – While cleaning a dough machine, the machine was dropped and internal components were damaged. A re-manufactured machine was ordered and a rental was obtained in the interim. **Total paid loss - \$23,000.**
- **Machine Shop** – A surface grinder was damaged when it flew off the magnetic chuck, striking and damaging the spindle. Replacement parts were not available and had to be manufactured. **Total paid loss - \$24,145.**

6. Renewable/Alternative Energy

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

7. Production

- **Circuit Board Maker** – The testing machine began to smoke. Investigators found 52 switch cards and the motherboard were melted and charred due to an electrical event. **Total paid loss - \$185,000.**