



# Agricultural Businesses

## Why Do You Need Equipment Breakdown Insurance?

### You Rely On Equipment

Today's agricultural businesses depend on equipment. Water pump systems for irrigation and boilers for temperature control are common to farms, as are refrigeration, mechanical, and packaging equipment. If a piece of equipment breaks down, there are costly repairs and downtime, and losses can be compounded when perishables spoil and income is lost.

### Rely On Our Coverage

Equipment breakdown can significantly impact your business. Yet, most standard property policies exclude the coverage.

Equipment Breakdown insurance pays for physical damage to equipment caused by mechanical and electrical breakdown. It can also cover business income or spoilage losses due to an equipment breakdown and your extra expenses to limit the equipment loss or speed repairs.

### Protect Against Loss

The coverage protects against covered losses caused by:

- Short circuit • Electrical arcing • Power surges
- Mechanical breakdown • Motor burnout
- Boiler damage • Operator error

### Common Causes

#### Electrical Distribution System

Lost power often means lost income and customers. A short circuit in one part of an electrical distribution system can easily spread to other parts because panels, circuit breakers, and cables are interconnected. A loose connection, dust, or high humidity is all it takes.

#### Heating and Cooling Systems

Complex HVAC systems are costly to repair and failures common. If there is a breakdown and the temperature becomes either too cold or too hot, not only is there loss

of productivity, but there could be significant additional loss, especially if you're raising livestock or poultry.

#### Refrigeration

Compressors are most apt to fail in the large central systems used for temperature and humidity control. Big compressors can cost \$10,000 to \$20,000 or more. And then there's the cost of damaged perishables and replacement refrigerant, which has skyrocketed.

#### Pump Systems

Many agricultural concerns depend on deep wells and pumping equipment for irrigation and water supply. Motors driving pumps are subject to electrical variation and surges. A breakdown of a pump system can result in significant business interruption and loss. Your operation can't survive without water.

### Coverage, Plus More

Many states and local governments require boilers and pressure vessels to be inspected periodically by commissioned inspectors. Our program includes these inspection services so you avoid local fees in many jurisdictions and only pay the certificate fee.

### The Risks Are Real

*A refrigeration compressor failed due to a piston rod failure. Approximately 825 pounds of refrigerant were lost. Business interruption was avoided. However, if the accident occurred only a few weeks later, the farm would have been at the height of its pear season.*

**Total Paid Loss:** \$ 14,548

*A circuit-board failure caused controls for pumps that automatically dispense liquid cattle-feed supplements to fail. The pumps turned on and stayed on throughout the night. Approximately 483,333 pounds of the liquid spilled all over the floor.*

**Total Paid Loss:** \$ 31,506

This summary gives a general description. For all coverages, conditions and exclusions, refer to the policy.