



Grocers

Why Do You Need Equipment Breakdown Insurance?

You Rely On Equipment

Equipment critical to operating a food store today includes not only refrigeration, business machinery, and electrical equipment. Increasingly there are ovens, rotisseries, and sophisticated security, electronic scanning, and public address systems, too.

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

Refrigeration Equipment

Refrigeration equipment is critical to grocers. However, it has no temperature alarm, no standby equipment, no excess capacity, and no standby storage space. If it breaks down you'll face enormous costs from spoiled goods, repair, and replacement. Big compressors can cost \$10,000 to \$20,000 or more.

Electronic Retail Equipment

Cash registers, bar code readers, and computerized inventory software rely on sophisticated, fragile circuitry. This equipment is vulnerable to damage from power surges and spikes. If it breaks down, it can severely restrict store operation and cause substantial income loss.

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

Air Conditioning

Air conditioning systems are susceptible to breakdown and can result in costly repairs. And, because of the ban on CFCs, replacing the system's refrigerant can cost thousands of dollars.

Electrical Distribution System

Lost power often means lost income and customers. And a short circuit in one part of an electrical distribution system can quickly spread to other parts—affecting the entire store—because panels, circuit breakers, and cables are interconnected. The cause can be as simple as a loose connection, dust, or high humidity.

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

Hydrochloric acid from an unknown source filled an underground electrical conduit, causing severe corrosion to a grocery store's electrical cables and switchgear. Wire insulation was burned in several spots and wires were fused together due to the contact. The store shut down for four days and an extensive inventory of refrigerated goods spoiled.

Total Loss: **\$133,140**

Storm drains backed up and flooded a grocery store. Fifteen inches of water in the store damaged refrigeration compressors, computers, phones, electronic scales, cash registers, ovens, and the security system. Refrigerated goods spoiled and dry goods were contaminated by the flood waters. The store shut down for several days.

Total Loss: **\$ 95,545**