



Retail Buildings

Why Do You Need Equipment Breakdown Insurance?

You Rely On Equipment

Electrical distribution and security systems, HVAC, and phones are vital to the operation of a retail shopping center. This equipment is subject to sudden and accidental breakdown. Frequently, this equipment relies on technologies that are sensitive and expensive to repair. In addition, business interruption expense can mount.

Rely On Our Coverage

Equipment breakdown can significantly impact your ability to operate. 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

Communications Systems

Computer technology and phone systems are indispensable to your business. If they go down, so does business. This costly equipment contains sophisticated, fragile circuitry that is susceptible to electrical surges and spikes.

Heat and Hot Water

Many buildings use boilers to provide heat and hot water. Boilers are susceptible to breakdown due to pump or low-water cut-off mechanism failure.

Air Conditioning

Air conditioning systems are vulnerable to breakdown, which 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 disrupted customers. A short circuit in one part of an electrical distribution system can easily spread to other parts, affecting your entire facility, because panels, circuit breakers, and cables are interconnected. The cause can be as simple as a loose connection, dust, or high humidity.

Building Automation Systems

Today's "smart" buildings contain sophisticated electronic equipment that operates boilers, air conditioning, lights, elevators, and fire detection and security systems. The sensitive, fragile electronics are vulnerable to severe damage from electrical surges and spikes.

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 loose electrical connection caused an electrical bus to arc and fail between the main electrical disconnect and a power transformer. The building was closed one day while rental generators were installed to supply power to the building during the ten days it took to complete permanent repairs.

Property Damage:	\$ 75,369
Extra Expense:	\$ 22,626
Total Loss:	\$ 97,995

A building's heating boiler dry-fired when a feed water pipe broke and the low-water cut-off device failed to shut off the boiler's burner. Several boiler sections cracked and the boiler needed to be replaced.

Total Loss:	\$ 37,600
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A power surge damaged the motor driving an air conditioning centrifugal compressor. Another air conditioning unit was rented to keep the building open and in operation while repairs were made to the compressor motor.

Total Loss:	\$ 43,000
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This summary gives a general description. For all coverages, conditions and exclusions, refer to the policy.