



# Retail Stores

## Why Do You Need Equipment Breakdown Insurance?

### You Rely On Equipment

The success of your store depends on many things, including well-functioning equipment like electrical distribution and security systems, HVAC, business equipment, phones, and public address systems. Not only is this equipment subject to sudden and accidental breakdown, but frequently it runs on sensitive and expensive-to-repair electronics. If any of it goes down, you can face substantial business interruption expenses and lost customers.

### 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

#### Heat and Hot Water

Boilers, which provide heat and hot water, are susceptible to breakdown due to pump or low-water cut-off mechanism failure.

#### Air Conditioning

Air conditioning systems are also vulnerable to breakdown resulting 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 can cause a major disruption to your business, often causing lost income. A short circuit in one part of an electrical distribution system can easily spread to other parts—affecting your entire store—because panels, circuit breakers, and cables are interconnected. The cause can be as simple as a loose connection, dust, or high humidity.

### Building Systems

Sophisticated electronic equipment operates phones, cash registers, and fire detection and security systems. This fragile and sensitive technology is vulnerable to severe damage from electrical surges and spikes. Modern phone systems and public address systems are particularly susceptible to damage, and their circuitry expensive to repair or replace. And, if a surge or spike damages your business machinery, you'll be sure to lose customers.

### 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 casting defect in a section of a retailer's boiler caused the boiler to crack, leak water, and overheat. Parts necessary for repair were no longer available. The residents of the building – a restaurant, a brewery, and a store – were forced to operate on minimum hot water until a new unit was installed.*

**Total Loss:** **\$ 38,849**

*The transformer for an air conditioning compressor shorted. Inspection revealed crumbled insulation and paper in the transformer. The unit needed to be replaced. Two major retailers were left without air conditioning. All doors leading into the stores were opened to allow for cross ventilation. Security guards were hired to prevent theft.*

**Total Loss:** **\$ 21,000**

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