



## *Why Do You Need Equipment Breakdown Insurance?*

### **You Rely On Equipment**

Your bed and breakfast runs smoothly, thanks to the electrical systems, heating and cooling equipment, boilers, and kitchen appliances and refrigeration you have in place. Much of this equipment relies on sensitive technologies that are vulnerable to sudden and accidental breakdown. If this critical equipment breaks down, it may be difficult to stay open, and you risk losing income from guests who seek other accommodations.

### **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**

#### **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, because panels, circuit breakers, and cables are interconnected. The cause can be as simple as a loose connection, dust, or high humidity.

#### **Heat and Hot Water**

Boilers, which provide heat and hot water, are common within inns. 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. Lack of air conditioning can force guests to look elsewhere for a room.

#### **Fire Detection and Security Systems**

Fire and security systems rely on sensitive electronics that are vulnerable to severe damage from electrical surges and spikes. Modern phone systems are also subject to damage from electrical fluctuations. These systems' fragile circuitry is expensive to repair — and to replace.

### **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**

*Rainwater leaked into the basement of a large bed and breakfast inn, causing equipment damage that knocked out electricity, phones, hot water, and air conditioning. Guests were evacuated and the facility closed for 10 days.*

**Total Loss:** **\$ 179,273**

*A compressor motor burned out, causing a partial loss of air conditioning during a July heat wave. Occupancy dropped by 50 percent.*

**Total Loss:** **\$ 73,366**

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