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## Equipment Breakdown Coverage Protects the Heart of a Business

Panhandle Farmers Mutual Insurance Company continually seeks to enhance the products and services that we provide to our agents and policyholders. Therefore, we are pleased to announce that we will be including **Equipment Breakdown** coverage with our renewal and new business commercial insurance policies effective **August 1, 2012**. Including Equipment Breakdown coverage enhances the value of our policies, keeps our product competitive and responds to your growing need for insurance from technical risks.

### Equipment Has Changed. So Have The Risks.

We believe this to be a very significant coverage enhancement. Equipment Breakdown coverage protects the heart of a business; the equipment, electronics, machinery and systems that businesses rely on every day. Whether it's for heating, air conditioning, refrigeration, electricity, hot water, security, customer service or other business operations, equipment is essential to a business, its operations and income. Equipment requires special insurance because the risks that can cause damage are unique. Most equipment today include microprocessors, sensitive circuitry and other fragile components and the risk of breakdown are greater than just a few years ago. We developed our product to pay for damage caused by technical risks normally excluded in standard property forms, such as:

- Electrical arcing;
- Power surges;
- Mechanical breakdown;
- Centrifugal force; and
- Boiler explosion, cracking or collapse.

### Equipment Breakdown is Common and Often Severe.

Equipment breakdown occurs more frequently and is consequently more severe than what many people realize. It is an exposure that no insured should be without due to the risks being too great. Equipment breakdown losses often total many thousands, sometimes tens of thousands of dollars or even beyond. The root causes of breakdowns are many but can include uncommon events such as:

- Operator or human error;
- Improper start-up or shut down;
- Electrical arcing and short circuits;
- Foreign materials in fuel; and
- Power surges.

## Covers a Broad Range of Equipment and Technology.

To respond to these risks we designed our Equipment Breakdown coverage to meet the needs of the business we underwrite most frequently for you; apartment buildings, churches, restaurants, tenants, office buildings and other commercial accounts. Our coverage is much more than what used to be called "boiler and machinery" coverage. **That's because it covers more types of equipment vital to your clients, including a wide range of "mission critical" equipment, such as:**

- Electrical systems including transformers, panels and wiring / cabling;
- Computers and other electronic equipment;
- Telecommunications and voicemail systems;
- Security and fire detection systems;
- Air conditioning and refrigeration systems;
- Elevators and escalators;
- Ovens, stoves and other cooking equipment;
- Heating boilers and hot water heating pressure vessels;
- Electronic cash registers and retail inventory control systems;
- Television, audio and public address (PA) systems;
- And more!

## Broader Coverage.

We've designed our product to provide broader Equipment Breakdown coverage that protects against more than physical damage. Our coverage includes:

- **Property Damage** coverage for equipment damaged by a covered accident;
- **Business Income** insurance for interruptions caused by equipment breakdown;
- **Extra Expense** for the additional costs incurred after a covered loss to maintain normal operations;
- **Expediting Expenses** coverage that pays for the additional cost of temporary repairs or to expedite permanent repairs or replacement in order to reduce the loss;
- **Spoilage** coverage for loss of perishable goods spoiled due to a covered equipment breakdown;
- **Service Interruption, Hazardous Substances** coverage...and more!

## Jurisdictional Inspections - A Built-In Benefit.

We also will provide jurisdictional inspection service for insureds with boiler and pressure vessels. Almost all states require that these objects be periodically inspected by qualified professionals. Providing this service helps our policyholders comply with the law. This jurisdictional inspection service is a built-in benefit to all our policyholders with this inspection obligation. **If you have equipment that requires an inspection, please contact:**

**Inspection Hotline: (800) 333-4677**

**Email: [NSCINSP\\_HOTLINE@hsb.com](mailto:NSCINSP_HOTLINE@hsb.com)**

**Fax: (484)582-1811**

**Panhandle Farmers Mutual Insurance Company** is pleased to offer you this new protection to round out your commercial insurance package - it's just one more way we're looking out for you. For more information contact your **Panhandle Farmers Mutual Insurance Company** representative.

This summary gives general information only. For all coverages, conditions and exclusions refer to the Equipment Breakdown Endorsement and Declarations pages.