

# Why Do You Need Equipment Breakdown Insurance?

## You Rely On Equipment

When equipment breaks down your business can come to a halt or be seriously hampered. It's a costly risk every type of business, institution, and municipality faces, yet most standard property policies exclude this coverage.

## 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

### Electrical Distribution System

Lost power often means lost income and 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. A loose connection, dust, or high humidity is all it takes.

### Heating and Cooling Systems

Heating and cooling is essential to employee productivity. Yet HVAC breakdowns are common and boilers and pressure vessels that distribute heat and hot water are vulnerable. Income is often lost while this equipment is repaired or replaced – at significant cost.

### Telephone Systems

When the phones go down, so does a business. Phone circuitry is easily affected by voltage spikes, heat, vibration, and moisture. It doesn't take much.

### Computers

Today, what business doesn't depend on computers? Yet the highly sensitive and fragile technology that computers rely on is highly susceptible to damage.

### Refrigeration

What costs more – refrigeration system repairs or the damaged perishables? Add replacement refrigerant to the equation and the expenses escalate.

## 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

*Power surge is transmitted through a LAN, damaging 200 computers.*

**Direct Property Loss:** **\$100,000**

**Business Interruption Loss:** **\$ 24,672**

*A power surge damages air conditioning compressor, ice machines, microwaves, and other appliances.*

**Total Paid Loss:** **\$ 60,467**

*Air conditioning system piping leaks into telephone switching equipment, shorting it out.*

**Direct Property Loss:** **\$ 89,859**

**Business Interruption Loss:** **\$ 42,890**