

Why Do You Need Equipment Breakdown Insurance?

You Rely On Equipment

Your nursing home depends upon sophisticated equipment to keep it running smoothly. That includes boilers, electrical systems, air conditioning and refrigeration units, phones, computers, and medical equipment.

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 common within nursing homes. Boilers 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 often means lost income and disrupted patients and services. A short circuit in one part of an electrical distribution system can quickly 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.

Refrigeration Equipment

Refrigeration equipment is critical to nursing homes to keep many medications and blood supplies cool as well as preserving food in the institution's kitchen. If it breaks down, you'll face enormous costs from spoilage, and repair and replacement. Big compressors can cost \$10,000 to \$20,000 or more.

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

An air conditioning compressor experienced electrical failure, which caused arcing and total loss of system refrigerant. The event caused the compressor oil to overheat and create smoke. The boiler room exhaust fan blew the smoke out, and the intake fans for the kitchen sucked the fumes back inside. Interior air circulation fans then blew the smoke throughout the building. The nursing home's 69 tenants were evacuated and relocated to area hospitals for two days. A rental air conditioner was needed during repairs.

Total Loss: **\$119,099**

An electrical short caused spontaneous combustion in an elevator control room that destroyed controls and wiring, disabling a smoke detector and heat detector. Three floors of elderly residents depended on this bank of elevators for transportation. A temporary control was installed to serve these residents during the full repair process.

Total Loss: **\$ 66,558**

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