



# Communications and Data Processing

## Why Do You Need Equipment Breakdown Insurance?

### You Rely On Equipment

Phone, electrical distribution, and security systems, and HVAC are vital to the operation of a communications and data processing services facility.

This equipment is run by sensitive, expensive-to-repair electronic technologies. A breakdown could mean costly repairs as well as business interruption expenses that could mount as disrupted customers go elsewhere.

### 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

#### Communications Systems

Computer technology and phone systems are indispensable to your business. If they go down, so does business. This costly equipment contains sophisticated, fragile circuitry that is susceptible to electrical surges and spikes.

#### Heat and Hot Water

Many office buildings use boilers to provide heat and hot water. Boilers are susceptible to breakdown due to pump or low-water cut-off mechanism failure.

#### Air Conditioning

Air conditioning systems contain a variety of components that are costly to repair or replace. A compressor can be worth \$20,000 or more. Lack of climate control can also pose a risk to computer systems and can force a shutdown.

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

#### 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, 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.

#### Building Automation Systems

Today's "smart" buildings contain sophisticated electronic equipment that operate boilers, air conditioning, lights, elevators, and fire detection and security systems. The sensitive electronics are fragile making them vulnerable to severe damage from electrical surges and spikes.

### 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 loose electrical connection caused the main electrical bus to arc and fail. Rental generators were installed to supply power during the ten days it took to complete permanent repairs.*

<b>Property Damage:</b>	<b>\$ 75,369</b>
<b>Extra Expense:</b>	<b>\$ 22,626</b>
<b>Total Loss:</b>	<b>\$ 97,995</b>

*A boiler dry-fired when a feed water pipe broke and the low-water fuel cut-off device failed to shut off the boiler's burner. Boiler tubes melted and the boiler warped requiring replacement of the boiler.*

<b>Total Loss:</b>	<b>\$ 47,200</b>
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*A power surge damaged the motor driving an air-conditioning system's centrifugal compressor. Another air-conditioning unit was rented to keep the data processing portion of the business in operation while repairs were made to the compressor motor.*

<b>Total Loss:</b>	<b>\$ 45,049</b>
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