



FINANCIAL PACIFIC POLICYHOLDERS NEED EQUIPMENT BREAKDOWN COVERAGE

Today, equipment keeps all kinds of businesses going and income flowing. When equipment breaks down, it can bring business and income to a halt.

Most equipment now contains highly sensitive technology that can be badly damaged by something as common, simple and sudden as a power surge.

Traditionally property coverage excludes equipment breakdown losses, leaving business owners with a big exposure. Unbudgeted losses from a breakdown can be extremely costly, and in many cases, greatly impact the bottom line.

EQUIPMENT BREAKDOWN COVERAGE FROM FINANCIAL PACIFIC COVERS MORE THAN THE COST OF REPAIR.

It protects insureds from the costs associated with losses to their facility's equipment. It pays for:

- Direct property loss - the cost to repair or replace the damaged equipment
- Loss of business income and extra expense
- Spoilage as a result of covered equipment breakdown events
- Other expenses incurred to limit the loss or speed business restoration

Protection from damage caused by:

- Short circuits / electrical arcing
- Utility power surges
- Mechanical breakdown
- Motor burnout
- Centrifugal Force

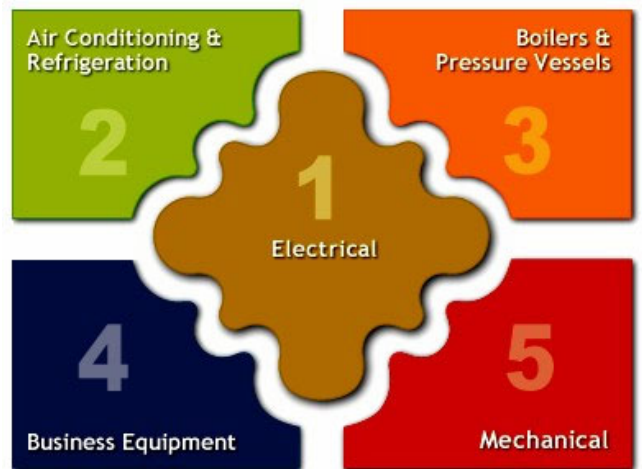
Many types of covered equipment:

- Phone Systems
- Business Equipment such as photocopiers, fax machines, inventory scanners, and blueprint machines
- Electronic cash registers and scanners
- Electrical distribution systems
- Heating and cooling systems
- Refrigeration systems
- Elevator drives and equipment
- Security and alarm systems
- Diagnostic Equipment
- Processing and Production Equipment

The list goes on.....

The many types of equipment covered by Equipment Breakdown Insurance can be categorized into...

The Five Easy Pieces



See the back for Five Easy Pieces loss examples

Why does a Financial Pacific Commercial Property policyholder need Equipment Breakdown Coverage?

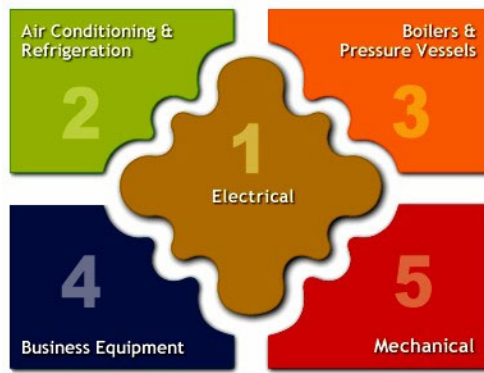
All commercial accounts have equipment breakdown exposures, including tenants as well as building owners.

When surveying a business, look around: security systems, lighting, fire detection system, specialized equipment, etc., then ask your policyholder:

- If your main circuit breaker panel failed, could you stay open? How much income would you lose?
- Would you be able to service customers if your phones or business equipment were damaged by a power surge? What would it cost to replace these systems?
- What's the value of your air conditioning, refrigeration, freezers or ice machines? Do you budget for equipment repair and replacement?
- Would your customers go elsewhere if your heating and cooling system failed?

Remember:

- All businesses rely on equipment. Repair, replacement and lost income are costly.
- Equipment Breakdown exposures are present regardless of the size of the risk.
- Electronic technology has increased risks



ELECTRICAL

- A **RESTAURANT** seating 160 people was shutdown for two days when a utility brown out caused electrical arcing and damaged the main breaker switch, air conditioning and refrigeration compressors. The total paid loss was \$31,682, including \$25,000 in business interruption.
- A chain **RESTAURANT** was closed for 10 days after loose connections caused severe arcing that damaged the main electrical panel. The total paid loss was \$ 52,010.



AIR CONDITIONING AND REFRIGERATION

- An off-site electrical line disturbance damaged the air conditioning system at an **ATTORNEY'S OFFICE**. Cost to repair the system was \$10,051.
- A compressor motor broke down, causing a partial loss of air conditioning at a **HOTEL** during a July convention, resulting in a loss of 50% occupancy. The business interruption loss was \$43,854, bringing the total paid loss to \$73,366.



BOILERS AND PRESSURE VESSELS

- A boiler at a **FUNERAL HOME** overheated due to excessive scale and lack of maintenance. The cost of a replacement boiler was \$14,000.
- A fire tube steam heating boiler overheats in an **OFFICE** complex, causing damage to the shell, tube sheets, tubes and furnace. Total paid loss was \$138,950.



BUSINESS EQUIPMENT

- An electrical utility line disturbance damaged the printing computer system at a **QUICK PRINT SHOP**. The cost to repair was \$31,353.
- Computers at a **RETAIL STORE** were damaged by power surge that came through data network lines. Surge suppressers were on electrical and communication lines but not on data network line. Total paid loss was \$30,800.



MECHANICAL

- While cleaning a dough machine at a **DELI**, the machine was dropped and internal components were damaged. A re-manufactured machine was obtained. The cost was \$11,500. With the cost of freight, installation and rental of a temporary machine, the total loss was \$23,000.
- A surface grinder at a **MACHINE SHOP** is damaged when it flies off the magnetic chuck and strikes and damages the spindle. Replacement parts were not available and had to be manufactured. Total paid cost for replacement was \$24,145.