

Why Do You Need Equipment Breakdown Insurance?

You Rely On Equipment

Electrical distribution and kitchen equipment, heating and cooling systems, and boilers – hotels and motels are loaded with critical equipment. Much of this equipment relies on technologies that are sensitive and vulnerable to sudden and accidental breakdown. In addition, if a breakdown interrupts your ability to keep your lodging operating, you can lose income as guests 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.

Electrical Distribution System

Power interruption can shut down a building and cause major disruption for guests. Electrical panels, circuit breakers, and cables are all interconnected: a short circuit in one part can spread to other parts of the system, affecting many rooms. The cause can be as simple as a loose connection, dust, or moisture.

Heat and Hot Water

Boilers, which provide heat and hot water, are common within hotel and motel buildings. Boilers are susceptible to breakdown due to pump or low-water cut-off mechanism failure.

Air Conditioning

Air conditioning systems contain a variety of parts that can break down and result in costly repairs. And, because of the ban on CFCs, replacing the system's refrigerant can cost thousands of dollars. Lack of air conditioning can force guests to look elsewhere for a room.

Fire Detection and Security Systems

Fire and security systems rely on sensitive electronics that are vulnerable to severe damage from electrical surges and spikes. These systems' fragile circuitry is expensive to repair — and replace.

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

Rainwater leaked into the basement of a large hotel, causing equipment damage that knocked out electricity, phones, hot water, and air conditioning. Guests were evacuated and the facility closed for 10 days.

Equipment Loss:	\$ 110,027
Income Loss:	\$ 69,246
Total Loss:	\$ 179,273

A compressor motor burned out, causing a partial loss of air conditioning during a July heat wave. Occupancy dropped by 50 percent.

Equipment Loss:	\$ 29,512
Income Loss:	\$ 43,854
Total Loss:	\$ 73,366

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