



## PEKIN INSURANCE HOMEOWNERS NEED EQUIPMENT BREAKDOWN COVERAGE.

**Coverage for Key Equipment** - Today's homes are filled with equipment that homeowners depend on for basic comfort and services.

Heat, air conditioning and hot water are just a few of the daily necessities supplied by home equipment that's become more complex, costly and prone to breakdown. The risk to higher end homes with special amenities is even greater.

Most homeowners' policies exclude mechanical and electrical breakdown losses. Simple misuse, faulty installation or poor maintenance can cause a breakdown that's surprisingly costly to repair or replace and isn't covered by warranties and service contracts.



**Pekin's Equipment Breakdown insurance covers more than just the cost of repair.**

It protects insureds from the expense associated with repair or replacement and labor in the event of a loss to their home's equipment. It pays for:

- Direct physical damage to covered equipment
- Additional living expenses
- Spoilage as a result of covered equipment breakdown events
- Expediting expense incurred to limit the loss or speed homeowners equipment restoration
- Additional costs to replace with equipment that is better for the environment or more energy efficient

**Protection from damage caused by:**

- Mechanical breakdown
- Electrical breakdown
- Tearing apart, cracking, burning or bulging of a steam or hot water system or an air conditioning system

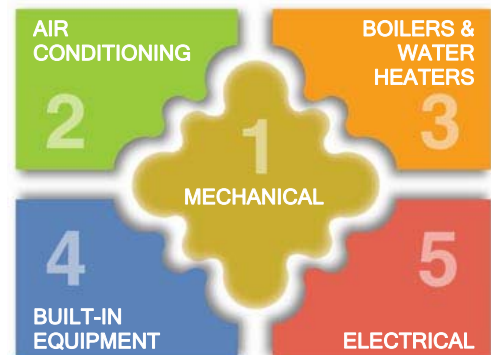
**Types of covered equipment:**

- Central air conditioning
- Ventilation systems and fans
- Boilers and water heaters
- Furnaces, heat pumps, heaters, solar heaters
- Deep well pumps
- Electrical power panels
- Permanently installed back-up generators
- Chair lifts and elevators
- Pool heating and filtration equipment
- Central vacuum systems



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

### THE FIVE EASY PIECES FOR HOMEOWNERS EQUIPMENT BREAKDOWN



See the back for [Five Easy Pieces](#) loss examples

### Why does a homeowner need Equipment Breakdown Coverage?

All homeowners have equipment breakdown exposures that are not covered by the standard homeowner's policy.

When reviewing your insureds' homeowner coverage, discuss the following with your policyholder:

- You have a large investment in your heating system, air conditioning and electrical systems. Isn't it important to have insurance protection against mechanical and electrical equipment breakdown of these systems?
- Maintenance contracts prevent losses due to wear and tear. Warranties pay for losses due to wear and tear. Does your maintenance contract or warranty cover all the systems in your home for accidental breakdown?
- Do you budget for mechanical and electrical equipment repairs and replacement?
- Include Equipment Breakdown coverage for pennies a day and protect yourself from the high costs of mechanical and electrical breakdown of your critical home equipment.





## JUST APPLY THE FIVE EASY PIECES

### MECHANICAL



- A broken fan/blower caused damage to other parts in a furnace requiring its replacement. Cost \$3,800.
- A worn gas valve caused the improper firing of the burner resulting in a cracked heat exchanger. Cost \$1,720.
- The intrusion of sand into a deep well pump serving a rural home caused the impeller to fracture. Water was cut off to the home and repairs required excavation and removal of all the well piping to replace the pump. Total loss was \$2,800. An additional \$350 was paid for hotel expense due to loss of use of the home.
- Over use of a heat pump system caused a mechanical failure of the compressor. Replacement cost of the compressor and the refrigerant was \$1,872.

### AIR CONDITIONING



- Metal fatigue caused a fracture in the refrigerant line of a 3-ton air conditioning compressor. Replacement of the line, compressor refrigerant and oil was required. Cost to repair the system was \$3,000.
- The compressor on an air conditioning system seized up due to lack of lubrication and needed to be replaced. Replacement cost including labor was \$2,534.
- An air conditioning unit stopped working. A test of the compressor motor found that it shorted to ground. Cost to replace the compressor was \$1,850.

### BOILERS AND WATER HEATERS



- In the depths of an especially cold winter, sediment buildup caused two sections of a cast iron boiler to crack and break down. A weekend job to replace the sections and restore the boiler to normal operating condition resulted in repair cost of \$2,300 plus \$340 in hotel expense for loss of use of the house for two nights.
- A faulty circuit in a water pump caused the boiler used to heat the residence to continuously fire without adding water for cooling. This resulted in cracking six sections of the boiler and required total replacement. The cost to dispose of the old boiler, replace it with a new boiler and pay for two nights in a hotel was \$6,325.
- The failure of the water temperature control device in an oil-fired hot water heater resulted in the burner continuing to burn and boil out all the water in the vessel. Sudden entry of cold water on the overheated surface led to complete destruction of the vessel. Cost of replacement was \$2,100.

### BUILT-IN EQUIPMENT



- A built-in double oven required replacement due to broken electronic controls being out of date. Replacement cost was \$3,750.
- Replacement of a built-in kitchen dishwasher was necessary due to a broken shaft. Repair was not viable. Cost to replace the dishwasher was \$1,700.
- A Jacuzzi tub suffered a mechanical failure to the pump discharge housing from excessive vibration. The cost of replacing the pump was \$600. Custom marble and tile work was damaged to access the pump, which cost an additional \$1,200. Total cost to access and replace the pump was \$1,800.

### ELECTRICAL



- Dust accumulation in the main electrical power panel assembly led to an electrical arcing incident which fused much of the central wiring and left the house without power. Emergency service was enlisted from a licensed electrician to remove the old panel box and breakers, locate a suitable replacement, and install the new equipment. Replacement cost was \$1,700 plus \$150 in hotel expense for one night due to loss of use of the home.
- A 25KW emergency generator suffered an electrical winding failure. The generator windings shorted due to deterioration of the insulation. The cost of repairs and reinstallation was \$4,500.

**A Reminder of Items Not Covered: Removable Kitchen or Laundry Appliances, Electronic Entertainment Equipment, Computer Equipment, and Other Personal Property.**