



# Equipment Breakdown Coverage - Commercial

## INSURANCE INFORMATION

### WHY EQUIPMENT BREAKDOWN COVERAGE?

Property policies specifically exclude some of the most common equipment breakdowns, including electrical arcing, mechanical breakdown, rupture or cracking. These kinds of gaps can cause costly property damage and loss of revenue or extra expense.

### WHAT'S COVERED?

Nearly everything that is mechanical, electrical or under pressure can be insured for loss due to breakdown. The most common types of equipment would include heating boilers, air conditioning and refrigerating units, electrical panels, computers and communication systems.

### PROTECTING THE EQUIPMENT A BUSINESS NEEDS MOST

- Computer, Printers
- Communication Systems
- Photocopiers, Fax Machines
- Diagnostic Equipment
- Security Systems
- Stoves, Ovens
- Retail Scanning Equipment

Coverage is also included on equipment to provide human comfort or services in a building such as:

- Boilers, Hot Water Tanks, Heat Exchangers
- Air Conditioning & Refrigeration
- Mechanical Pumps, Fans & Compressors
- Electrical Motors, Transformers & Panels

Spoilage Coverage is also included. Loss of the insured's perishable goods that spoil as a result of a breakdown is covered to the policy limit.

### ADDITIONAL FEATURES

- Business Interruption/Extra Expense if provided in property coverage
- Bylaws
- Professional/Auditors fees if provided in property coverage
- Hazardous substances to a limit of \$100,000
- Data Coverage to a limit of \$25,000
- Expediting expenses
- Broader definition of insured equipment
- Broader definition of Breakdown
- Low Deductible
- Service Interruption (electricity, communication systems, heating and cooling)

*HIGHLIGHTS ONLY. Actual policy wordings govern.*

*Coverage availability subject to underwriting eligibility.*

## TYPICAL BREAKDOWN LOSSES

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- **Real Estate Developer** - An electrical power surge of unknown origin caused extensive damage to telephone equipment.

Property Damage: \$42,290.10

- **Office Building** - The failure of air conditioning centrifugal compressor resulted in bearing, shaft and impeller damage.

Property Damage: \$46,012.00

- **Graphics Company** - Burn out and short circuiting of CAD/CAM computer resulted in loss of production.

Property Damage: \$10,118.10

- **Resort Hotel** - A low water condition resulted in overheating and cracking of a boiler.

Property Damage: \$8,400.00

- **Nursing Home** - Metal fatigue resulted in the breakdown of the drum shaft on an Industrial Washing Maching/Extractor.

Property Damage: \$9,576.50

- **Condominium Building** -High-voltage underground cables shorted to ground, causing damage to the transformer and resulted in lack of power to the building.

Property Damage: \$59,223.00

Business Interruption: \$6,776.00

- **Plaza Restaurant** - Three transformers, property of the plaza, burned out. The restaurant (a tenant) suffered a Service Interruption loss as well as food spoilage.

Spoilage: \$3,971.12

Business Interruption: \$7,305.13