

Equipment Breakdown Insurance

For business owners, auto repair shops and contractors' property



Your Business Depends on Your Equipment

Whether it's electrical distribution, production machinery, environmental controls, refrigeration or computers, equipment is vital to your operations. Businesses are increasingly relying on costly equipment and new technologies, and with that comes a greater probability that a business-critical system could break down. The resulting unbudgeted losses can be extremely costly and, in many cases, greatly impact your bottom line.

More Than Just Repair Cost Coverage

Your business-critical equipment may breakdown for a variety of reasons—short circuits, electrical arcing, power surges, mechanical breakdown, motor burnout, boiler damage or operator error. Equipment breakdown coverage can help protect you from unexpected events by covering the following costs associated with equipment breakdown:

Direct Property Loss – Covers the cost to repair or replace damaged equipment

Business Income – Replaces income lost due to a total or partial business interruption following equipment breakdown

Service Interruption – Extends income coverage for interruptions due to loss of electricity and other services caused by equipment breakdown

Extra Expense – Pays extra costs to sustain normal operations such as jobbing work out or renting temporary equipment

Expediting Expenses – Covers other expenses incurred to limit the loss or speed the business restoration

Breakdown Insurance Covers Many Types of Equipment

Electrical Distribution Systems

Maximum power uptime is important for any business. The loss of power can mean the loss of income and customers. Since the panels, circuit breakers and cables in your power distribution are all interconnected, a short circuit in one part can spread instantly to the other parts of your system. The cause can be as simple as a loose connection, dust or high humidity.

Heating and Cooling Systems

Today's HVAC systems are more complex and costly to repair. Breakdowns are common and can cost tens of thousands of dollars. If the climate becomes inhospitable due to lack of heating or air conditioning, there is loss of productivity and also loss of income if you service customers on site.

Telephone Systems

If your phone system goes down, so does your business. Phones have circuitry that is easily affected by voltage spikes, heat, vibration and moisture.

Mechanical Equipment

Most businesses contain many types of mechanical equipment. This equipment can range from simple fans and blowers to internal combustion engines used to drive emergency generators.

Affordable Equipment Breakdown Coverage

Take a look at the following actual losses and the coverage provided by equipment breakdown insurance.

On a four-color offset printing press, a two-inch diameter wheel broke and entered the cylinders on the press.

Direct property loss:	\$ 48,478
Business interruption loss:	\$ 75,687
Total paid loss:	\$ 124,165

A power surge in a convenience store damaged an air conditioning compressor, ice machines, microwaves and other appliances.

Total paid loss:	\$ 60,467
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Air conditioning system piping leaked water into telephone switching equipment, shorting out equipment.

Direct property loss:	\$ 89,859
Business interruption loss:	\$ 42,890
Total paid loss:	\$ 132,749

In short, equipment breakdown insurance covers the physical damage — and the financial damage — that stems from an insured's equipment breakdown. It's essential protection for today's businesses. For more information, contact your local independent insurance agent or an EMC branch office near you.



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