

## KEY FEATURES

- Broader definition of Breakdown than other policies
- A second cause of loss defined as Electronic Circuitry Impairment
- Broader definition of Insured Equipment - includes heat exchangers in forced air furnaces, elevators and escalators
- A range of deductible options
- Claim investigations, adjustments and mitigation assistance by personnel who specialize in Equipment Breakdown insurance

## COVERAGES AT A GLANCE

### All options provide:

- Breakdown to Insured Equipment
- Electronic Circuitry Impairment
- Business Interruption/Extra Expense if provided in property coverage
- Expediting Expenses
- Bylaws
- Professional/Auditors' Fees if provided in property coverage
- Hazardous Substances to a limit of \$100,000
- Data Restoration to a limit of \$25,000
- Data Restoration includes data lost in the cloud due to a Breakdown
- Service Interruption: services provided such as electricity, refrigeration, communication, heating and cooling
- Cloud Computing Service Interruption due to a Breakdown
- Off-Premises Transportable Equipment
- Public Relations
- Environmental and Efficiency Coverage
- Green Coverage
- Brands and Labels

## TYPICAL BREAKDOWN LOSSES

- **Real Estate Developer** - An electrical power surge caused extensive damage to telephone equipment.  
Property Damage: \$42,000
- **Office Building** - The failure of air conditioning centrifugal compressor resulted in bearing, shaft and impeller damage.  
Property Damage: \$46,000
- **Condominium Building** - High-voltage underground cables shorted to ground, causing damage to the transformer and resulting in lack of power to the building.  
Property Damage: \$59,000  
Business Interruption: \$7,000
- **Plaza Restaurant** - Three transformers, property of the plaza, burned out. The restaurant (a tenant) suffered a Service Interruption loss and food spoilage.  
Spoilage: \$4,000  
Business Interruption: \$7,000
- **Hotel** - Phone system failure due to two circuit boards not functioning, with no evidence of detectable physical damage, covered by Electronic Circuitry Impairment.  
Replacement Cost: \$28,000
- **Nursing Home** - Portable ventilation equipment used off-premises suffer an electrical short on its control board. Covered by Off-Premises Transportable Equipment.  
Property damage: \$2,100  
Extra Expense: \$2,000
- **Doctor's office** - Contracted data centre suffered an arcing event to its primary switchgear. Covered by Cloud Computing Service Interruption.  
Business Interruption: \$37,000
- **Accounting firm** - data stored in the cloud was lost due to a mechanical breakdown to a hard drive at the cloud computing service provider.  
Data Restoration: \$16,000

For presentation purposes only. For all coverages, terms, conditions and exclusions refer to actual insurance policy.  
2016/EBR/NewStd

## EQUIPMENT BREAKDOWN INSURANCE

Improve Your Package  
the Easy Way



## WHY EQUIPMENT BREAKDOWN COVERAGE?

Commercial Property insurance policies specifically exclude some of the most common equipment breakdowns, including electronic circuitry impairment, 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, under pressure, electrical or electronic can be insured for loss due to Breakdown or Electronic Circuitry Impairment. The most common types of equipment include heating boilers and systems, heat exchangers, air conditioning and refrigeration units, electrical panels, computer systems, telephone and communications systems.

## ELIGIBLE RISKS

- Any non-manufacturing and non-processing account: up to \$15,000,000
- Owners of Realty Risks: up to \$20,000,000
- Tenants: up to \$1,500,000

*Three coverage options are available to suit a variety of needs.*



## THREE INSURANCE OPTIONS TO PROTECT ALL THE EQUIPMENT A BUSINESS NEEDS MOST

### Option 3 Comprehensive Plus

Under this Option it is possible to insure nearly all pressure vessel, mechanical, electrical and electronic equipment in small to mid-sized businesses, whether tenanted or owner occupied. This coverage protects the kind of Electronic Equipment that businesses depend upon most, such as:

- **Computers, Printers**
- **Telephone and Communication Systems**
- **Photocopiers, Fax Machines**
- **Diagnostic Equipment**
- **Security Systems**
- **Stoves, Ovens**
- **Retail Scanning Equipment**
- **Fibre Optic Cables**

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

- **Boilers, Hot Water Tanks**
- **Air Conditioning and Refrigeration Equipment**
- **Mechanical Pumps, Fans and Compressors**
- **Electrical Motors, Transformers and Panels**

Option 3 also includes Spoilage Coverage. Loss of the insured's perishable goods that spoil as a result of a breakdown is covered to the policy limit.

### Option 2 Broad Coverage

This option provides the same coverages as Option 3 except it:

- Excludes **Electronic Equipment Coverage**
- Excludes **Spoilage Coverage**

*This option is appropriate for those businesses which do not have Electronic Equipment or Spoilage exposures.*

### Option 1 Basic Coverage

This option provides the same coverages as Option 3 except it:

- Excludes **Air Conditioning and Refrigeration Equipment**
- Excludes **Electronic Equipment Coverage**
- Excludes **Spoilage Coverage**

*This option is appropriate for those businesses which do not have any of the above three exposures.*