

ADDITIONAL FEATURES

All options also provide:

- 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 - now including heat exchangers in forced air furnaces, elevators and escalators
- Broader Definition of Accident/Breakdown
- Low deductible
- Service Interruption (services provided such as electricity, refrigeration, communication, heating and cooling)

TYPICAL BREAKDOWN LOSSES

- **Real Estate Developer** - An electrical power surge 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.
Business Interruption: \$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 machine/extractor.
Property Damage: \$9,576.50
- **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: \$59,223.00
Business Interruption: \$6,776.00
- **Plaza Restaurant** - Three transformers, property of the plaza, burned out. The restaurant (a tenant) suffered a Service Interruption loss and food spoilage.
Spoilage: \$3,971.12
Business Interruption: \$7,305.13

EQUIPMENT BREAKDOWN INSURANCE

Improve Your Package
the Easy Way



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, heat exchangers found within forced air furnaces, heating systems, air conditioning and refrigerating units, electrical panels, computers, telephone and communications systems.

ELIGIBLE RISKS

Any non-manufacturing and non-processing account not exceeding \$15,000,000 in value for building owners and \$1,500,000 for tenants.

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



3 INSURANCE OPTIONS TO PROTECT ALL THE EQUIPMENT A BUSINESS NEEDS MOST

Option 3 Comprehensive Plus

Under this Option it is possible to insure nearly everything mechanical and electrical 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.