



# Equipment Breakdown Coverage

Every day businesses from large manufacturing operations to small retail stores rely on their mechanical and electrical equipment to maintain their operations. No business can afford losses to this equipment which may originate within mechanical, electrical or pressure equipment.

Although more common than a fire, these equipment failures are not covered by most standard Businessowners and Commercial Property Policies, thus creating costly coverage gaps. Most property policies exclude losses arising from mechanical, electrical and pressure systems breakdown. These are the types of occurrences that can cause major losses and possibly force a company out of business. Equipment Breakdown coverage addresses these gaps.

Equipment Breakdown coverage responds to the cost to repair or replace mechanical, electrical or pressure systems equipment that suffers a breakdown.

Indirect losses arising from a covered Equipment Breakdown can result in additional losses; such as, business interruption, extra expense and spoilage.

Warranties and maintenance contracts may have gaps as well. Typically, they do not cover accidents to equipment caused by operator error, business interruption, extra expenses, or spoilage losses which can result from an equipment failure.

Equipment Breakdown coverage provides the financial protection you need to run your business and continue to meet customer demands without worry. Adding this coverage enhancement to the commercial insurance program protects the insured from these exposures both today and in the future.

## Exposures

- Telephone Systems
- Electrical Systems
- Computers
- Copiers
- Production Equipment
- Boilers
- Fired Vessels
- Fired Water Heaters
- Unfired Vessels
- Refrigeration Units
- Air Conditioning Systems
- Compressors
- Pumps
- Gears & Gear Sets
- Engines
- Motors
- Generators
- Transformers
- Switchboards
- Distribution Systems

## Loss by Peril

	% of losses
Electrical Breakdown	45
Mechanical Breakdown	37
Pressure Equipment Breakdown	16
Service Interruption	2

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