



HSB Home Systems Protection

Why it's important to cover home systems

Next to the dwelling structure, home systems are typically homeowners' most valuable property. Think about it. To install a new boiler or furnace can cost over \$8,000. A central air conditioning system might cost \$6,000 or more to replace. Water filtration and treatment systems might be as high as \$2,500. Not to mention the value of increasingly popular technologies such as emergency generators costing \$6,000 or more, home entertainment systems, and high-efficiency appliances.

With the amount of equipment in homes today and the sensitive technology that drives it, breakdowns are inevitable. Unexpected home equipment losses can cost thousands of dollars. Homeowners want these losses covered. Yet available solutions, like home warranties and extended warranties, are expensive and very restrictive.

What is Home Systems Protection?

HSB Home Systems Protection is an endorsement to the Homeowners policy that provides the broadest breakdown coverage available today. HSB Home Systems Protection provides meaningful protection at an affordable price for all home equipment.

Coverage includes:

Home equipment that is permanently installed, such as those for heating and cooling, electrical power, and water treatment, including:

- Furnaces, heating boilers, and heat pumps
- Radiant and geothermal heating systems
- Air conditioning and ventilation
- Hot water heaters
- Water treatment and filtration
- Solar and other power generation equipment
- Emergency generators

- Fire and security alarm systems
- Control panels
- Pool pumps and filtration
- Chair lifts and elevators
- Security gates

Coverage also applies to personal property, including home appliances, entertainment systems, and consumer electronics, such as:

- Kitchen and laundry appliances
- TVs and home entertainment electronics
- Computers, laptops, tablets, and phones
- Health-monitoring devices and equipment
- Home exercise equipment
- Tools and shop equipment

Microelectronics coverage included:

The microelectronics that support home electronic systems and appliances make the risk of breakdown and loss even more impactful. Damage can be undetectable, and software and firmware failures aren't even physical. Until now, property coverage required proof of physical damage, which could leave insureds without coverage for repair, replacement, and data loss caused by technology failures. HSB's microelectronics coverage is included in the HSB Home Systems Protection limit, and there are no specific sub-limits or deductibles.

Additional coverage features:

Additional living expenses — Covers additional living expenses and fair rental value if the home becomes uninhabitable for a period of time due to a covered loss.

Expediting expenses — Covers the cost to make temporary repairs and to expedite permanent repairs or replacement.

Spoilage — Pays for the loss of perishable goods when stored in a covered food or wine storage unit at the time of a covered loss to that unit.

Environmental safety and efficiency coverage

If covered home equipment requires replacement due to a home system breakdown, HSB will pay the additional cost to replace with equipment that is better for the environment, safer for people, or more energy or water efficient than the equipment being replaced¹.

Coverage includes reimbursement when an insured upgrades to a Smart Thermostat, including a separate sub-limit of \$300. The coverage would come available following a covered replacement of a heating/cooling system — i.e., a central A/C, boiler, furnace or heat pump. This coverage is subject to the Home Systems Protection limit².

Future loss avoidance²

In our ongoing efforts to protect against further water or fire loss, HSB will distribute sensor devices and provide monitoring services. Coverage is triggered following any qualifying, covered, and paid Home Systems Protection loss involving hot water heaters, sump pumps, or electrical panels. In detail:



Hot water and sump pump losses can qualify for two water sensors along with two years of monitoring services.



Electrical panel losses can qualify for one electrical fire sensor with two years of monitoring services.

¹HSB will not pay to increase the size or capacity of the equipment and will not pay more than 150% of what the cost would have been to replace with like kind and quality. This condition does not apply to the replacement of component parts or to any property to which actual cash value applies and does not increase any of the applicable limits.

²The Smart Thermostat coverage and the Future loss avoidance coverage described above have not been approved by all state insurance departments. This document is intended solely for informational purposes to describe proposed expanded coverages under HSB's Home Systems Protection endorsement.

Contact us

HSB Home Systems Protection is available through insurers who partner with HSB to provide the enhancement in their homeowners and renters policy forms. Put our Equipment Breakdown coverage expertise and capabilities to work for your personal lines clients. Protect them with HSB Home Systems Protection coverage. For more information, contact your HSB representative. Or call us at (800) 472-1866.

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