



Let the sun shine

Equipment breakdown coverage for solar energy systems

More and more businesses, municipalities, and schools are installing solar panels to generate the electricity they need to run their operations. And the trend is growing given environmental concerns, government incentives, and lower equipment costs.

But if there is a breakdown in these solar photovoltaic (PV) systems, these organizations could lose power, interrupting day-to-day operations. Add to that disruption damaged property, repair costs, and higher electric bills from having to draw more electricity from the grid.

HSB's equipment breakdown coverage and expertise can help get them back up and running whether the breakdown to the solar power system is electrical or mechanical.

What can go wrong?

Equipment Breakdown coverage pays for covered losses including property damage, business income, spoilage, and extra expenses from:

Electrical breakdowns of inverters, breakers, meters, cables, and wires damaged from:



- Improper testing
- Installation errors
- Improper wiring
- Voltage sags or surges
- Electrical arcing

Mechanical breakdowns to sensors, gears, and motors used in solar mechanical tracking systems that move panels to maximize the sun, damaged by:



- Metal fatigue
- Poor maintenance
- Human error

Other breakdowns to cells and wiring caused by:



- Peeling from heat and humidity
- Animals gnawing at wires

What's covered by whom

Property policies will typically exclude loss or damage caused by electrical and mechanical breakdown.

Manufacturers warranties only cover manufacturer defects and design, are limited to a specific product or part; may be limited to a short period of time; don't cover all replacement parts or labor; and do not include coverage for business interruption losses.

Equipment Breakdown coverage pays for electrical and mechanical breakdowns of covered losses and includes business interruption and extra expense coverage.

If something breaks down, we're ready

We know how important it is to recover quickly. That's why we have claim specialists, engineers, technicians, vendors, and supplier/service provider relationships across the country at the ready to get organizations back in business fast.

Business interruption is a key exposure

For revenue generating systems, business interruption is a key exposure and can outweigh direct damage.

In this loss example, an electrical deficiency damaged a transformer. A replacement required over three months to obtain. During downtime, the insured experienced a \$203,000 business interruption loss, whereas direct damage was \$38,000.

