



## Home Systems Protection

### Filling property policy coverage gaps

HSB Canada, part of Munich Re, is a technology-driven company built on a foundation of specialty insurance, engineering, and technology, all working to drive innovation in a modern world, to keep you ahead of risk.

#### Home systems are a growing exposure

Canadian homes are now smarter and better equipped. As they continue to progress, so do the complexity and value of the systems required to keep homeowners safe and comfortable. However, homeowner property policies do not cover most mechanical, electrical and heating breakdowns. Nor do they cover electronic circuitry impairment.

#### What is electronic circuitry impairment?

Sensitive microelectronics are now the brains that drive heating, cooling, entertainment and connected home systems. An electronic circuitry impairment (ECI) can happen suddenly, due to, for example, vibration, or a short caused by a

microscopic dust particle. When an ECI occurs, it can cause an object to simply stop working, without any evidence of physical damage. Until now, property coverage has required proof of physical damage, which would have left insureds without coverage for repair or replacement caused by such technology failures.

By packaging home systems protection in your homeowners policy, you can offer this important coverage for just pennies a day.

#### Highlights of coverage, terms and conditions

##### Target business

Designed for insurers with homeowners business of all home sizes and value ranges.

## Coverage

- Direct physical damage to "covered equipment" caused by a sudden and accidental mechanical or electrical breakdown.
- Electronic circuitry impairment, for failures when physical damage is not detectable.

## Covered equipment

- Examples of covered equipment are central air conditioning systems, heating equipment, hot water heaters, electrical panels, home security systems, ventilating systems and fans, emergency generators, well pumps, air and water filtration systems, central vacuums, pool or spa filtration, pumps and heating equipment, chair lifts and elevators, sauna equipment and personal property such as appliances and electronics.

## Limits of liability

- \$50,000 per accident unless a higher limit is shown in the schedule of the endorsement.
- The equipment breakdown limit does not increase the property limits.

## Loss of use

- Coverage for additional living expenses and fair rental value if the home becomes uninhabitable for a period of time due to a covered loss is provided to the equipment breakdown limit.

## Spoilage

- Pays up to \$500 or the Limit shown in your policy for Refrigerated Property Coverage, whichever is greater.

## Deductible

- Same as the homeowners deductible, unless a different deductible is shown in the endorsement schedule.

## Premium

- Portfolio priced based on Coverage "A" values. A flat rate for the coverage is added to the policy premium.

## Exclusions

- Loss to equipment which is not defined as covered equipment.

- Damage from perils otherwise included in the homeowners policy such as lightning, power surge or brownout.

## Claims

- Handled by HSB staff in conjunction with the insurer's claim department.
- Losses are adjusted with repair or replacement value method.
- Inclusion of expediting expenses and additional cost of up to 150% of the replacement of equipment that is better for the environment, safer or more efficient is a standard part of our claim practice.

## Availability

- Through HSB partner insurers as an enhancement to their homeowner policies.

