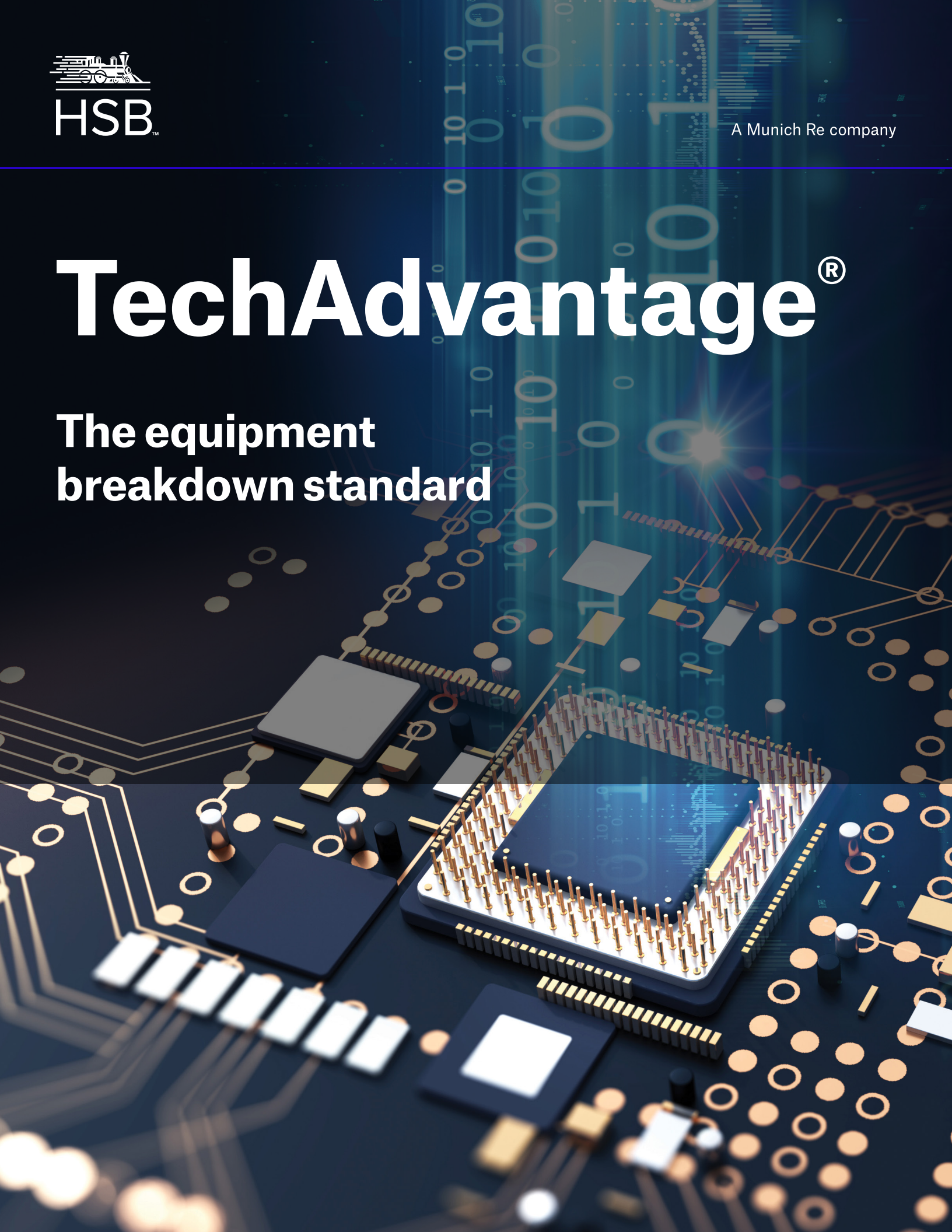


TechAdvantage®

**The equipment
breakdown standard**





Technology transforms exposures and risk

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.

We live and work in a world where technological change is constantly creating new forms of equipment and applications for them. While technological transformation brings many benefits, it changes the risk model dramatically:

Micro-circuitry is used in almost all types of equipment. It is so sensitive that damage, invisible to the human eye, can cause equipment to suddenly stop working.

Portable business equipment, such as laptops and devices, are now carried in pockets or briefcases across cities, provinces and international borders. As equipment with fragile components travels, breakdown risks increase.

Cloud computing is not fail-safe:

- Almost 60 percent of small to mid-sized businesses using the Cloud reported that at least one interruption to their cloud service prevented their company from functioning.²
- Business data stored in the cloud is at risk of being lost when there is a cloud service interruption due to an equipment breakdown.

Bad news travels fast

In today's social sharing world, a business interruption caused by an accident can lead to bad publicity and compromise a company's reputation and integrity.



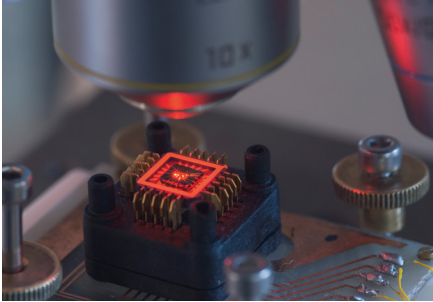
TechAdvantage[®]

TechAdvantage[®] from HSB is the result of several years of proprietary research, claims analysis and consultation with equipment manufacturers and technology companies. It is the most innovative equipment breakdown coverage ever offered in the Canadian marketplace.

Future-forward Coverages

- 1** Microelectronics coverage
- 2** Off-premises transportable equipment coverage for property damage, business income, extra expense and data restoration
- 3** Cloud computing service interruption coverage
- 4** Data restoration to include data lost in the cloud due to an accident
- 5** Public relations coverage

1 Microelectronics coverage for invisible risks



6 million transistors would fit in the period at the end of this sentence.

Traditionally, equipment breakdown coverage has required evidence of physical damage. TechAdvantage® adds a second cause of loss for failures when physical damage is not detectable. Coverage is triggered when covered equipment suddenly stops functioning and replacing that equipment or a part containing electronic circuitry restores functionality. This coverage includes:

- Data restoration
- Civil Authority or Denial of Access
- Service Interruption
- Anchor Location
- Contingent Business Interruption
- Electronic Circuitry Impairment coverages now applicable to third party locations

Have you ever owned an electronic device, computer or printer that mysteriously stopped working? The same thing happens to business equipment and machinery with electronic controls, including:

- Heating and cooling equipment
- Computers, servers, scientific research, diagnostic, and medical equipment
- Communications systems
- CNC and production equipment

2 Off-premises transportable equipment coverage



Equipment is getting smaller and more portable.

The miniaturization of technology has spawned another important trend: equipment is more portable, and more frequently used off-premises where it is exposed to greater risk of damage.

Mobile equipment is at risk, from newer technology such as laptops and devices, to more conventional objects such as compressors and generators.

Off-premises coverage is provided on transportable equipment for property damage, business income, extra expense and data restoration, anywhere in Canada and USA.

3 Cloud service interruption



The market size of cloud computing is expected to more than double by 2025.¹

Cloud computing services have been added to service interruption coverage. This pays for lost business income and extra expense when an insured's cloud service provider experiences an outage due to equipment breakdown.

This coverage is of growing importance.

The market size of cloud computing is expected to more than double by 2025.¹ In a survey of businesses conducted by HSB and the Ponemon Institute, 48% said they had experienced an interruption of cloud services. Of those, 56% reported that at least one such interruption prevented their company from functioning.²

4 Data restoration to include data lost in the cloud due to an accident



Data stored in the cloud is increasingly at risk of being lost.

Our analysis of equipment breakdown claims over the years has shown growing data restoration losses, both in severity and frequency.

We already cover data lost due to an accident. However, a business's data stored in the cloud is also increasingly at risk. In response, we have added data restoration coverage for data lost when it is stored and managed by a cloud computing service provider.

5 Public relations coverage



TechAdvantage® includes coverage for services from reputation management professionals, such as a PR firm, when an equipment breakdown poses a risk to a business's good standing. It pays for professional public relations services to help manage a client's reputation that is at risk when a breakdown causes a business income loss

**Digital technology means
bad news travels fast.**

Additional Coverages

In addition, TechAdvantage® provides other coverage benefits including:

- **Environmental and Efficiency coverage**

Pays up to 150% of the loss payable for upgrades to more energy efficient or environmentally friendly equipment

- **Green coverage**

Up to \$50,000 in addition to our energy efficiency upgrade coverage

- **Brands and labels coverage**

Pays for the cost of removing labels or stamping of salvaged merchandise

- **Anchor location contingent business income**

- **Contingent business interruption**

- **Future loss avoidance**

Covers cost for the purchase and installation of protective equipment to prevent future loss

- **Waiver of property damage deductibles for losses on spares**

- **Buried piping contained in duct tunnel or runway**

- **Now includes all mechanical and electrical equipment on ovens, stoves, furnaces and kilns**

HSB is carrying on a 150 year tradition of thinking differently about what is and what could be. We are your innovation engine – redefining the boundaries of loss prevention, engineering risk and inspection compliance to find new and better ways to protect businesses and property.

¹ Research and Markets | Cloud Computing Market by Service Model (Infrastructure as a Service (IaaS), Platform as a Service (PaaS), and Software as a Service (SaaS)), Deployment Model (Public and Private), Organization Size, Vertical, and Region - Global Forecast to 2025

² HSB | Ponemon Study among small to mid sized businesses using cloud services

For all coverages, terms, conditions and exclusions, please refer to actual insurance policy.

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