

Commercial Equipment Breakdown



When equipment doesn't work, businesses face an economic hit. Commercial Equipment Breakdown insurance protects valuable physical assets as well as business income lost in the event of damage. The importance to a business of recovering quickly from an equipment failure with minimal financial impact has increased markedly over the past 15 years. This urgency has driven an equipment breakdown coverage revolution, to where this coverage and related services have now become a staple of a comprehensive commercial property insurance program.

The need for this coverage has never been higher. Equipment and technology has become central to the performance of just about every business imaginable – from retailers and restaurants, to manufacturers and professional services firms. As those business have evolved, so have their equipment and technology risks. That's why this insurance includes coverage for:

- **Microelectronics**, to protect against breakdowns to the microscopic electric components that power most equipment, even when there's no readily observable physical damage.
- **Off-premises and mobile equipment**, to extend valuable protections to portable equipment no matter where it's used
- **Cloud computing service interruption**, to protect against loss of service access to cloud-based data and software
- **Public relations assistance**, to protect the integrity of a brand in the event of a breakdown-triggered loss

No charge for required inspections

If a jurisdictional inspection of covered equipment is required, this coverage includes the inspection at no charge. Plus, it can be easily scheduled with a simple phone call.

Energy-saving advice included

Commercial equipment draws a lot of costly energy, but through this program we offer professional advice that could lower customers' energy costs. Our on-site inspectors will identify potential energy-saving opportunities that have tangible dollar ranges associated with them. Clients will rest easier knowing their equipment is protected and as operating efficiently.

Covered Equipment

Equipment Breakdown insurance covers the "Simple Seven" categories of common equipment risks:

- Electric
- Air Conditioning & Refrigeration
- Boilers & Pressure Vessels
- Computers & Communications
- Mechanical
- Renewables/Alternative Energy
- Production

Coverage Highlights continued on next page.

Coverage Highlights

Limit:	\$5,000,000 any one 'Accident'
Coverage:	<p>We pay for direct physical damage to Covered Property that is the direct result of an "accident" or "electronic circuitry impairment". We will consider "electronic circuitry impairment" to be physical damage to "covered equipment".</p> <p>The following coverages also apply to the direct result of an "accident" or "electronic circuitry impairment". However, with respect to coverage 2.g. Service Interruption below and any Dependent Properties coverage provided by this policy, coverage will apply only to the direct result of an "accident" and will not apply to the direct result of an "electronic circuitry impairment".</p> <ul style="list-style-type: none">• Business Income and Extra Expense• Data Restoration (\$25,000 sublimit)• Expediting Expenses (\$25,000 sublimit)• Hazardous Substances (\$25,000 sublimit)• Off Premises Equipment Breakdown (\$10,000 sublimit) Public Relations (\$5,000 sublimit)• Service Interruption• Spoilage (\$25,000 sublimit)
Covered Equipment:	<p>"Covered Equipment" means the following:</p> <ul style="list-style-type: none">• Unless specified otherwise in the Declarations:• Equipment that generates, transmits or utilizes energy, including electronic communications and data processing equipment; or• Equipment which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.
Definition of Accident	<p>"Accident" means a fortuitous event that causes direct physical damage to "covered equipment". The event must be one of the following:</p> <ol style="list-style-type: none">1. Mechanical breakdown, including rupture or bursting caused by centrifugal force;2. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;3. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;4. Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or5. Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
Definition of Electronic Circuitry Impairment	<p>"Electronic circuitry impairment" means a fortuitous event involving "electronic circuitry" within "covered equipment" that causes the "covered equipment" to suddenly lose its ability to function as it had been functioning immediately before such event.</p>
Exclusions and Limitations:	Fire & EC Perils, Mold, Animals, Land (For Others Refer to Policy Form)
Other Coverage Provisions:	Refer to Policy Form
Deductible:	Follows the Property Policy Deductible, \$500 minimum