

# Equipment Breakdown/ Tech Advantage Coverage



Businesses, institutions and municipalities are increasingly relying on costly equipment and new technologies. Whether it's electrical distribution, production machinery, environmental controls, refrigeration or computers, equipment is vital to your operations. Reliance on new technologies and equipment has actually led to a greater probability that a critical business system will breakdown. There can be an electronic circuitry failure that causes equipment to stop working for no apparent reason. The result is unbudgeted losses that can be extremely costly and, in many cases, greatly impact your bottom line.

## Policy Coverages

Equipment Breakdown coverage helps protect you from the costs associated with losses to your facility's equipment. It covers for:

- Direct property loss including micro electronics damage that is beyond proof of physical damage – the cost to repair or replace the damaged equipment.
- Costs associated with the time and labor to repair or replace the equipment.
- The loss value of spoiled products or materials.
- Business income loss.
- Service Interruption – including cloud computing services.
- Data Restoration – the cost to research, replace, and restore lost data.
- Off Premises equipment.
- Public relations to fix a damaged reputation after a loss.

In short, Equipment Breakdown insurance covers the physical damage including that which is undetectable – and the financial damage – that stems from an insured equipment breakdown. It's bottom-line protection that is essential for today's technology-intensive businesses. It provides coverage for damages caused by:

- |                                    |                                   |
|------------------------------------|-----------------------------------|
| • Short circuits/electrical arcing | • Boiler damage                   |
| • Power surges                     | • Operator error                  |
| • Mechanical breakdown             | • Electronic circuitry impairment |
| • Motor burnout                    |                                   |

## Covered Equipment

### Electrical Distribution Systems

Maximum power uptime is important for any business, institution or municipality. The loss of power can mean the loss of income and customers. Since the panels, circuit breakers, and cables in your power distribution are all interconnected, a short circuit in one part can spread instantly to other parts of the system. The cause can be as simple as a loose connection, dust or high humidity.

### Heating and Cooling Systems

Today's HVAC systems are more complex and costly to repair. Breakdowns are common and cost tens of thousands of dollars. If the climate becomes inhospitable due to lack of heating or air conditioning, there is loss of productivity, and loss of income if you service customers on site.

# Equipment Breakdown/Tech Advantage Coverage

## Telephone Systems

If your phone goes down, so does your business. Phones have a circuitry that is easily affected by voltage spikes, heat, vibration, and moisture.

## Electronic Equipment

Virtually every business, institution or municipality depends on electronics, especially computers. Whether you're designing and manufacturing high technology components, tracking productivity data, or using them for bookkeeping, computers rely on highly sensitive and fragile technologies. They contain circuitry that is vulnerable to damage, yet not always visible damage.

## Refrigeration

If your business depends on refrigeration, a breakdown can cause more than the loss of a major equipment investment, it could also mean the loss of costly perishable goods and business income. Not to mention the cost of the refrigerant you'd have to replace.

## Cloud Computing Services

If your business uses a cloud computing provider to gather or store information, it can cripple your operation if there is an interruption of this service.

## Typical Losses

The following are actual losses and the coverage provided by Equipment Breakdown insurance:

Power surge in a restaurant damages an air conditioning compressor, ice machines, microwaves, and other appliances.

**Total Paid Loss ..... \$60,467**

A computer server at an office would not boot up after a power outage, but no damage was detected. After replacing the controller board, the server was restored.

Direct Property Loss.....\$2,308

Data Restoration.....\$1,975

Business Interruption Loss..... \$13,695

**Total Paid Loss ..... \$17,978**

A billing department for a medical center was unable to conduct business for one week due to a service interruption with their accounting service provider. The cloud-based software and files were not accessible for three days due to damage to their server from their A/C system breakdown, and the servers overheated.

Business Interruption Loss..... \$9,675

Extra Expense.....\$1,750

**Total Paid Loss ..... \$11,425**

Air conditioning piping leaks water into your telephone switching equipment and shorts out the equipment.

Direct Property Loss..... \$89,859

Business Interruption Loss..... \$42,890

**Total Paid Loss ..... \$132,749**

# Equipment Breakdown/Tech Advantage Coverage

## Additional Services

Every Central policy is backed by our Loss Control and Claims Services. Central's loss control consultants are available to help you protect your business and profits through safety and accident prevention activities designed to reduce and control hazards to people and property. However, if you should ever experience a claim, Central's Claims representatives will provide prompt, fair claims handling consistent with the size and complexity of the loss.

## Questions?

Your agent is backed by a company with a reputation for prompt, friendly service. Please contact your agent with any questions regarding this coverage.

A (excellent) rating by A.M. Best Company



Trusted Choice® agencies are dedicated to you and are committed to treating you as a person, not a policy. To learn more about Trusted Choice®, visit [www.trustedchoice.com](http://www.trustedchoice.com).

Contact us today to learn more.



The Central Insurance Companies are comprised of Central Mutual Insurance Company and All America Insurance Company.

The coverages described here are in the most general terms and are subject to the actual policy conditions and exclusions. For actual coverage wording, conditions, and exclusions, refer to the policy or contact your Central agent.

Products underwritten by Central Mutual Insurance Company and affiliated companies.  
Copyright © 2022 Central Mutual Insurance Company. All rights reserved.

