



Quincy Mutual Group Commercial Equipment Breakdown Coverage

Every day businesses from large manufacturing operations to small retail stores rely on their mechanical and electrical equipment to maintain their operations. No business can afford losses to this equipment which may originate within mechanical, electrical or pressure equipment.

Although more common than a fire, these equipment failures are not covered by many standard businessowners and commercial property policies, thus creating costly coverage gaps. Many property policies exclude losses arising from mechanical, electrical and pressure systems breakdown. These are the types of occurrences that can cause major losses and possibly force a company out of business. Equipment breakdown coverage addresses these gaps.

Equipment breakdown coverage responds to the cost to repair or replace mechanical, electrical or pressure systems equipment that suffers a breakdown.

Indirect losses arising from a covered equipment breakdown can result in additional losses; such as, business interruption, extra expense and spoilage.

Warranties and maintenance contracts may have gaps as well. Typically, they do not cover accidents to equipment caused by operator error, business in-

terruption, extra expenses, or spoilage losses which can result from an equipment failure. Equipment breakdown coverage provides the financial protection you need to run your business and continue to meet customer demands without worry. Adding this coverage enhancement to the commercial insurance program protects from these exposures.

Typical Losses

Restaurant: The motor driving the refrigeration compressor for the three-door cooler short circuited, requiring replacement of the hermetically sealed motor/compressor unit.

Property Damage: \$1,800
Spoilage/Consequential: \$1,400

Apartment: A cast-iron boiler experienced a low-water condition and was destroyed. This condition resulted from a failure of the feed water system and the low-water cutoff. Replacement took five days and resulted in a refund of rent.

Property Damage: \$12,760
Loss of Rent: \$17,000

Offices: Rupture of an air tank supplying control air to the heating, ventilating and air conditioning system caused a systems shutdown for one day. Computer operations were also impacted.

Property Damage: \$1,150
Business Interruption: \$17,480

Exposures

- Telephone Systems
- Electrical Systems
- Computers
- Copiers
- Production Equipment
- Boilers
- Fired Vessels
- Fired Water Heaters
- Unfired Vessels
- Refrigeration Units
- Air Conditioning Systems
- Compressors
- Pumps
- Gears and Gear Sets
- Engines
- Motors
- Generators
- Transformers
- Switchboards
- Distribution Systems