



Contractors

5 Reasons Why You Need Equipment Breakdown Insurance



1. Equipment You Depend On.

Computer and office equipment are vital to the operation of a contracting business. This equipment contains technologies that are sensitive and expensive to repair. Since much of this equipment is electrically driven, it is especially susceptible to damage resulting from voltage variations or surges.

2. Equipment Breakdown Insurance Covers More Than Just Repairs.

Equipment Breakdown insurance helps protect you from the costs associated with insured losses to your building's equipment. It pays for:

- Direct property loss — the cost to repair or replace the damaged equipment;
- Costs associated with the time and labor to repair or replace the equipment;
- Other expenses incurred to limit the loss or speed restoration of your operations;
- The loss value of spoiled products or materials;
- Business recovery expenses.

Equipment Breakdown insurance covers the physical damage — and the financial damage — stemming from equipment failure.

3. Protection Against Damage Caused By:

- Short circuit/electrical arcing
- Power surges
- Mechanical breakdown
- Motor burnout
- Boiler breakdown

4. Equipment Breakdown Insurance Covers Many Types of Equipment Office Systems

Phone Systems, Computers, Blueprint Machines, Fax and Photocopiers contain sophisticated electronics. The sensitive circuitry is vulnerable to severe damage from electrical surges and spikes. **Heat and Hot Water Boilers** are susceptible to breakdown due to pump or low water cutoff mechanism failure. **Air Conditioning** compressors can be worth \$20,000 or more and replacement the system's refrigerant can cost thousands of dollars. **Electrical Distribution Systems** short circuits can spread to other parts of the system, affecting the whole building. Whether you own or lease space, an electrical system breakdown can severely impact your ability to do business.

5. Typical Losses

The following are actual losses and the coverage provided for contracting businesses like yours. A power surge virtually shut down a 16-card phone system, leaving a busy contracting business with only two phone lines. The surge also damaged the mother boards of five computer systems. The computers were repaired, but the entire phone system needed to be replaced.

Total Loss: \$11,125.00

A power surge destroyed a construction company's two computers and two monitors beyond repair. The CPU was melted and soot infiltrated the systems.

Total Loss: \$ 6,150.00



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This is a summary of the coverage. Please refer to the Coverage Terms and Conditions for actual coverage and claims filing details.