

EQUIPMENT BREAKDOWN INSURANCE

Summary



Mechanical breakdown and electrical damage losses (such as loss from electrical arcing) can be suffered by almost any type of organization, regardless of the type of equipment used. Mechanical breakdowns and electrical damage losses are relatively commonplace occurrences that are not covered under standard commercial property policies.

Equipment breakdown insurance is part of your property insurance policy, and it provides coverage for loss due to mechanical or electrical breakdown of nearly any type of equipment, from boilers and air conditioning units to photocopiers and computers. Coverage applies to the cost to repair or replacement of the equipment and any other property damaged by the equipment breakdown. Resulting business income and extra expense loss may be covered as well.

Filing a Claim

A claim may be filed when equipment suffers a mechanical or electrical breakdown. Please use the regular Property Claim form for equipment breakdown claims and submit to Adventist Risk Management, Inc., at claims@adventistrisk.org

This coverage is not meant to function as a maintenance policy, it will only cover sudden and accidental equipment failure. Property not performing due to age, normal wear and tear, corrosion, or deterioration is not considered a covered loss.

Typical losses

Arcing in an electrical feeder cable supplying the location resulted in a loss of power. The religious institution and school were closed for three days to replace the cable. Food in cold storage spoiled as a result of the power loss.

Property Damage:	\$1,500
Spoilage/Consequential:	\$1,275

A cracked section of a cast-iron boiler resulted in replacement of the boiler. Due to cold weather, church services had to be held elsewhere during the boiler replacement.

Property Damage:	\$9,000
Extra Expense:	\$9,000

Deductible(s) — same as your property policy.

This summary briefly describes some of the coverage(s) and services available. This summary does not provide coverage of any kind, nor does it modify the terms of any policy. For precise details of coverage, please refer to the policy documents.



Limits

• Property Damage	Follows Property Form & Limits
• Business Income	Follows Property Form & Limits
• Extra Expense	Follows Property Form & Limits
• Service Interruption	Included
• Perishable Goods (Spoilage)	\$250,000 unless otherwise noted
• Refrigerant Contamination	\$250,000 unless otherwise noted
• Pollutant Clean Up and Removal	\$250,000 unless otherwise noted
• Water Damage	\$250,000
• Animals (Inside Buildings)	\$25,000
• Off-Premises Equipment	\$25,000
• Electrical Equipment Improvements	Additional 10% up to \$10,000 (Conditions apply)
• Expediting Expense	Follows Property Form & Limits

Jurisdictional Inspections (US Only)

If any covered property requires inspection to comply with state or municipal boiler and pressure vessel regulations, such inspections could be performed on your behalf. However, those inspections will not warrant that conditions are safe or healthful.

Submit as a property claim to Adventist Risk Management, Inc., at claims@adventistrisk.org

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