

Equipment Breakdown | Customer Scenarios

Equipment Breakdown insurance is a key coverage for your customers - regardless of the size of their business. Intact Insurance offers a complete Equipment Breakdown solution, featuring benefits such as:

- Three distinct products to best suit your customers' needs: Equipment Breakdown MAX, Equipment Breakdown *Advantage*, and Equipment Breakdown *Elite*
- Coverage for direct damage, business interruption, extra expense and consequential damage (spoilage)
- Off-premises mobile equipment extension (\$25,000)
- Production machinery coverage included within the base wording
- The Equipment Breakdown MAX and Equipment Breakdown *Advantage* products are available as a standalone policy, or packaged with an Intact property policy. The Equipment Breakdown *Elite* is available as a standalone option only
- Includes coverage for micro-electronics and micro-circuitry

The following are examples of common scenarios that can help support your discussions when you are selling Equipment Breakdown coverage.



Motel

Situation: In January, a hot water radiator connected to a boiler used for heating developed a crack which resulted in the boiler breaking down. This also caused hot water to leak into the radiator room causing water damage to the flooring and some fixtures. The motel had to close for two weeks while the radiator was replaced.

Result: The Equipment Breakdown MAX indemnified the hotel for the cost to replace the radiator. The water damage was covered by the Water Damage coverage extension (sublimited at \$500,000). As the loss took place during high season, the motel also lost a substantial amount of bookings, impacting their business income.

Claim amount: \$150,000



Production equipment

Situation: While running a normal production on a 2000 ton press, an operator noticed vibration and loud noises. The press was stopped to investigate, and it was determined that the press could not be used until an expert analysis of the issue was performed by an external repair company. Due to the press being overloaded, it was determined that a mechanical failure had occurred. The eccentric gear inside the feeder side of the press had seized. Cracks were also found in the crown while assessing the issue.

Result: The cracks needed to be fixed to maintain the integrity of the press. The Equipment Breakdown *Advantage* covered this repair, along with the substantial business interruption resulting from the downtime of the press.

Claim amount: \$2,500,000



Shopping centre

Situation: The welds on the elevator's hydraulic system failed resulting in a breakdown. The cylinder required replacement, which had to be ordered from China.

Result: The Equipment Breakdown MAX provided coverage for the repair of the elevator including the labour costs. As the elevator was vital for many of the shopping centre's clientele, the part had to be expedited from China, and this additional cost was covered under the Expediting Expenses extension.

Claim amount: \$70,000



Manufacturer

Situation: A field service technician was sent off-site to a client to diagnose a cracking issue in a gearbox. While using an ultrasonic testing machine, there was a power surge that damaged the power supply of the testing machine.

Result: The ultrasonic testing machine had to be repaired by an electronics specialist. The Equipment Breakdown Advantage provided coverage for the repair under the off-site mobile equipment provision (sublimited at \$25,000).

Claim amount: \$17,000



Condominium

Situation: An advanced monitoring fire system panel at a luxury condominium stopped working due to a microprocessor burnout. The manufacturer did not offer replacement motherboards; therefore the entire fire panel had to be replaced.

Result: The Equipment Breakdown MAX indemnified the client for the costs to replace the fire panel, as well as the additional costs for the reprogramming of the fire monitoring system.

Claim amount: \$70,000