



Choosing insurance for your business is an important decision.

Most people wouldn't dream of running a business without insurance. Yet many leave their businesses vulnerable to a major risk that's also common and costly: equipment failure.

A breakdown of equipment or machines can involve more than the cost of repairing or replacing damaged property – this kind of accident can also entail a substantial loss of income if it forces a business to cut back its operations or close for repairs. And it can add up to thousands of dollars in losses. But with Travelers, you can limit your worries about the cost of an equipment failure. We have built this coverage right into our **Master Pac**SM policy as a Coverage Extension.

If you are a tenant, you may think you don't need this coverage. But, what if you had to shut down your business due to a mechanical failure of your landlord's equipment?

Equipment Breakdown Coverages

COVERAGES

The Equipment Breakdown Coverage Extension protects you from property damage due to equipment failure or electrical failure as well as any resulting loss of income and extra expenses (unless Business Income and Extra Expense is not covered). And while Equipment Breakdown is typically referred to as "boiler" coverage, it's much more than that. This is especially true for those who do not even have a boiler.

Coverage for a wide range of equipment

The Equipment Breakdown Coverage Extension insures a wide variety of equipment types, including:

- Air conditioning systems.
- Refrigeration equipment.
- Electrical distribution equipment.
- Motors, fans and pumps.
- Compressors.
- Water heaters.
- Fiber optic cable.
- Hoists and cranes.
- Boilers and pressure vessels.

Coverage is also afforded for the following types of equipment for up to \$100,000 (limit can be increased):

- Diagnostic Equipment.
- Power Generating Equipment.
- Production Equipment.

Other Coverages

Other valuable coverages included within the Equipment Breakdown Coverage Extension:

- Expediting Expenses are covered up to \$25,000.
- Pollutant clean up costs are covered up to \$25,000.
- Interruption of water, communication, or power supply services is covered (when Business Income and Extra Expense is covered).

Equipment Breakdown Loss Examples

The Equipment Breakdown Coverage Extension provides extensive, yet inexpensive, protection for a wide variety of common problems. Some typical losses that could occur:

- A 20-ton A/C system froze due to failure of controls. Since it was summer, a rental unit had to be brought in until the main unit was returned to service. Direct loss = \$10,240, Extra Expense = \$5,250.
- A power surge from a brown out damages refrigeration equipment causing the business to shut down. Direct loss = \$9,675, Business Income loss = \$22,345 .
- A water heater overheated and ruptured due to excessive pressure. The building also suffered water damage. Direct loss = \$12,840.
- A stamping machine was damaged due to metal fatigue. It was necessary to outsource this part of the manufacturing process to a competitor in order to complete the project on time. Direct loss = \$19,750, Extra Expense = \$35,190.
- A restaurant pressure cooker cracked due to sudden loss of pressure. Direct loss = \$8,925.



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