

# EQUIPMENT BREAKDOWN LESSONS LEARNED

**AVONDALE**  
TRUSTED EXPERTISE

## MERCANTILE



Although equipment breakdown insurance is one of the best coverage, service and price values in the industry, some business owners and operators continue to do without this vital protection. Loss lessons in our business tend to be learned the easy way or the hard way. Doing with little or no coverage is indeed doing little when the unexpected happens. Even if you do not have boilers or production machines, equipment breakdown insurance policies cover breakdowns to a wide array of mechanical and electrical equipment. If it plugs in, it's probably covered.

At Avondale, we are now including full limit equipment breakdown on all retailers policies (subject to underwriting) at no additional cost.

We want our valued wholesale producers to know they are offering their retail agents and their insureds "great" coverage.

Read our loss examples to learn more about the scale and variety of equipment breakdown losses which impact retailers every day.

A ¼ inch shear pin snapped off a department store's air conditioning chiller causing their entire HVAC unit to shut down. While repair expenses were nominal, a temporary chiller was rented while the owner's repair technician diagnosed and repaired the damage.

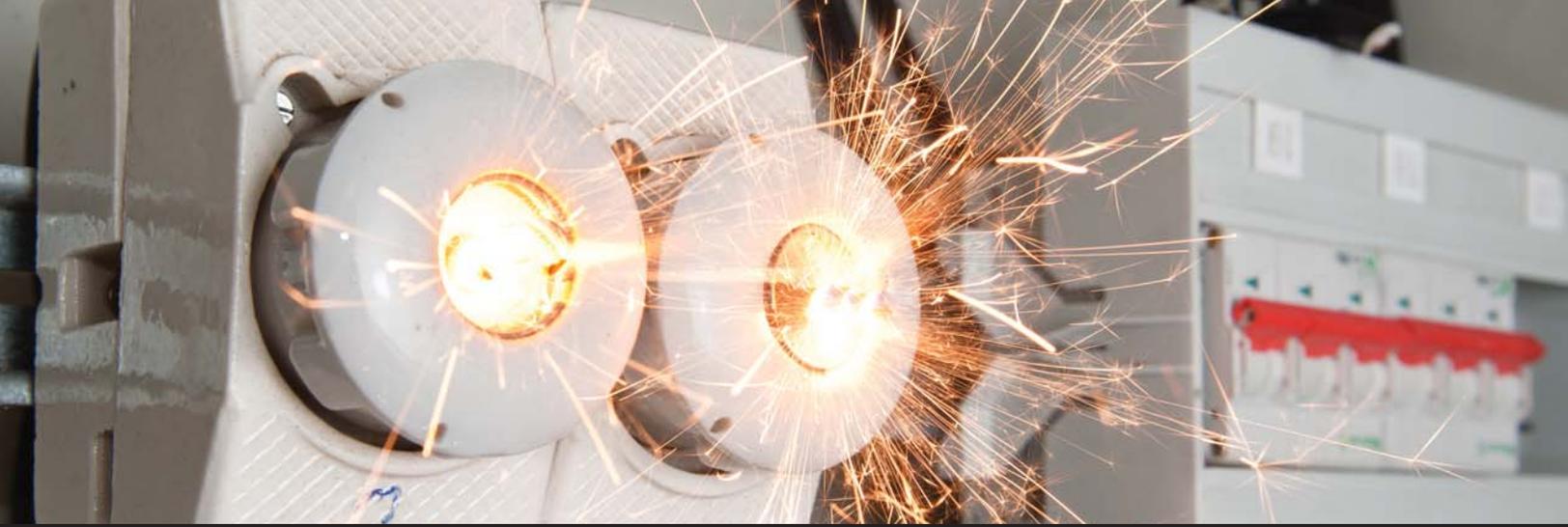
**Loss:**

- Property Damage - \$1,200
- Extra Expense - \$22,220

At the height of the holiday shopping season, two electrical bus bars shorted out which released an electric surge that damaged a variety store's electrical distribution system. Excessive heat and age caused the copper conductors to melt beyond repair. The owner lost sales income, and an emergency generator was brought in for the seven-day repair.

**Loss:**

- Property Damage - \$24,000
- Business Income & Extra Expense - \$17,000



<p>A furniture store's second-story boiler overheated and cracked during off hours due to a low water condition. The boiler required replacement, but additional damage was caused by water leakage onto their first floor display area. Resultant damage included ceiling tiles, walls, flooring and furniture for sale.</p>	<p><b>Loss:</b></p> <ul style="list-style-type: none"><li>• Property Damage - \$25,610</li></ul>
<p>The switching surge of a utility-owned transformer caused the breakdown of point of sale (POS) cash register equipment. The clothing boutique did have a contingency plan for such an event, but damage to an all-in-one register as well as customer displays couldn't be avoided.</p>	<p><b>Loss:</b></p> <ul style="list-style-type: none"><li>• Property Damage - \$4,750</li></ul>
<p>The control panel and security cameras of a local jeweler shorted out due to a power spike in their security system. Some repairs could be made, and a backup system was brought online while replacement equipment was on order.</p>	<p><b>Loss:</b></p> <ul style="list-style-type: none"><li>• Property Damage - \$8,170</li><li>• Extra Expense - \$1,200</li></ul>
<p>Air conditioning piping housed on the ceiling of a sporting goods store ruptured and leaked onto and damaged their telephone switching equipment. The system quickly shorted out, which halted both their telephone and online sales operations.</p>	<p><b>Loss:</b></p> <ul style="list-style-type: none"><li>• Property Damage - \$92,850</li><li>• Business Income - \$25,340</li></ul>

While Avondale's expanded policy covers some very sophisticated equipment and systems, you will have no problem understanding the many benefits of full equipment breakdown coverage.

**To learn more, call 1-888-737-5244 or visit [www.avondaleins.com](http://www.avondaleins.com)**

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