



*Hanover Commercial Lines*

# Commercial policyholders need Equipment Breakdown coverage.

Equipment keeps all kinds of businesses going. When equipment breaks down, it can bring business and income to a halt. Today's equipment contains highly sensitive technology that is often damaged by something as common and sudden as a power surge. Traditionally, property coverage excludes equipment breakdown losses, leaving business owners exposed to unbudgeted losses. Breakdowns can be extremely costly and often negatively impact the bottom line.

## Provides More Than the Cost of Repair

Equipment Breakdown insurance covers the sudden and accidental, physical damage to equipment that requires its repair or replacement. It provides protection from damage caused by:

- Short Circuits, Electrical Arcing, and Power Surges
- Steam Explosion
- Mechanical Breakdown
- Centrifugal Force

It can pay for:

- Direct Property Loss—The cost to repair or replace damaged equipment
- Expediting Expenses

- Loss of Business Income and Extra Expense
- Service Interruption
- Spoilage due to a covered equipment breakdown

## Beyond the Traditional Equipment Breakdown Coverage

Our offering includes new coverages designed to address today's modern equipment risks:

- Microelectronics Coverage
- Cloud Computing Service Interruption
- Service Interruption Data Restoration
- Off Premises Business Income, Extra Expense, and Data Restoration Coverage
- Public Relations Coverage

## Common Equipment Risks

The **Simple Seven** makes it easy to understand common equipment risks:

- 1. Electrical**—Electrical panels and cables are all interconnected, so a short circuit in one part can spread and destroy a large part of the system. Electrical systems present a huge loss potential since the systems represent a sizable percentage of a building's total value—15% in some cases.
- 2. Air Conditioning & Refrigeration**—Air conditioning and refrigeration contain a variety of components prone to breakdown. While property damage can cost thousands a refrigeration breakdown can result in business interruption and spoilage, and lack of air conditioning can result in lost sales, forcing you to rent temporary equipment or relocate during repairs.
- 3. Boilers & Pressure Vessels**—Boilers and pressure vessels are used for heat, hot water, cooking, sterilization, and production. A boiler or pressure vessel breakdown can impact your business's ability to operate, and you may incur extra expense to rent temporary equipment needed to restore operations.
- 4. Computers and Communications**—These systems rely on very sensitive electronic technology, now found in almost every risk. Power surges, loose connections, vermin, foreign objects, excessive moisture, and improper use can bring computers and communication equipment down, resulting in businesses and business income coming to a halt and large repair or replacement bills.
- 5. Mechanical**—Buildings are loaded with mechanical equipment, such as pumps, motors, fans, conveyers, engines, and more that can cost thousands to repair. And, since much of this equipment is mission critical to business operations, mechanical breakdown can result in lost income and business interruption.
- 6. Renewable/Alternative Energy**—Renewable and alternative energy technology can take many forms, including solar, wind, geothermal and bio-fuels. This technology typically employs a wide range of electrical and mechanical equipment. As demand for more efficient equipment grows so does the lead time to repair and replace it.
- 7. Production**—Modern production systems employ electronics and software to maximize production and energy efficiency. A power surge that damages the electronics or interrupts the information flow between machines can render the system as inoperable as a physical breakdown. Modern systems with sensitive electronics require skilled specialists to repair, and replacements may need to be custom-made or obtained from abroad.



Learn more.

Don't let an equipment breakdown turn into a business breakdown. Contact us today.

## Why The Hanover?

The Hanover is a leading property and casualty insurance company dedicated to achieving world-class performance. Our commitment is to deliver the products, services, and technology offered by the best national companies with the responsiveness, market focus, and local decision making of the best regional companies. This powerful combination has been a proven success since our founding in 1852, and all insurance company subsidiaries are rated "A" (Excellent) by A.M. Best Company.

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