



Frequently Asked Questions

Homeowners Equipment Breakdown



Q: What does equipment breakdown cover?

A: It covers the perils of mechanical, electrical and pressure systems breakdown, which are excluded or limited perils in the homeowner's policy.

Q: What are some examples of covered property?

A: Examples of covered property are items in a home that can break mechanically or electrically; for example, wine cooling unit, heat pumps, swimming pool equipment, air conditioning systems, electrical panels, televisions and media equipment, as well as other household appliances.

Q: What is the benefit of adding Equipment Breakdown coverage to my homeowner's policy?

A: There are specific exclusions for mechanical and pressure systems breakdown in the homeowner's policy. Typically, electrical breakdown coverage is limited in the homeowner's policy. By adding the equipment breakdown enhancement endorsement, loss caused by, resulting from, or consisting of an electrical, mechanical or pressure systems breakdown will be covered.

Q: How does this coverage differ from a home warranty?

A: A home warranty is expensive. It may also restrict certain equipment or include it at an additional cost. By adding the equipment breakdown enhancement endorsement to your homeowner's policy, coverage applies to all real and personal property in your home.

Q: What happens if multiple pieces of (real and personal) property breakdown at the same time?

A: Multiple pieces of equipment damaged by a single event would be considered one occurrence, subject to one deductible.

Q: Can damaged equipment be replaced with more efficient equipment?

A: Yes, the equipment breakdown endorsement will pay up to 150% for replacement of equipment that is more efficient and better for the environment.

Q: Is there coverage for personal property away from the insured's described premises (i.e., laptop at college, GPS, etc.)?

A: Yes, Off-Premises coverage is now included. Coverage was previously limited to "Residence Premise" and now we've extended coverage for property that is away from the described premises.

Q: What is the difference between wear and tear and mechanical breakdown?

A: A mechanical breakdown usually occurs suddenly. Wear and tear usually occurs over time. In instances where wear and tear occurs, performance of the equipment slowly declines and its capacity diminishes; however, the equipment continues to operate but does not perform as expected. Therefore, because coverage for wear and tear is excluded in the homeowner's policy and no equipment breakdown has occurred, there would also be no coverage provided by the equipment breakdown endorsement.



Q: What are some examples of real losses?

A: An insured's property was hit with an artificially generated power surge. The boiler and water heater controls, security system and media equipment were damaged.

Amount of loss: \$18,350

During a family vacation, a storm caused a power outage. A laptop computer and cell phone were charging when the outage occurred. When power was restored, a voltage spike damaged the items beyond repair and required their replacement. With the Off-Premises Coverage the homeowner would now be covered!

Amount of loss: \$3,750

An insured's air conditioning system experienced an electrical short causing loss of cooling to the home. The air conditioning compressor needed to be replaced.

Amount of loss: \$3,300

The circuit card in a freezer arced. Due to the age and availability of a circuit card, the whole unit had to be replaced. The cost to replace the unit was \$9,259. The endorsement also extended additional coverage for food spoilage.

Amount of loss: \$11,350