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# Hibbs-Hallmark & Company

Newsletter

**In this article you will learn about Equipment Breakdown Coverage. Read on to find out how to be prepared if your company experiences mechanical or electrical breakdown.**

## ***Equipment Breakdown Causes Major Problems, Make Sure Your Company is Covered***

In today's business environment, more and more companies have become dependent on their mechanical equipment and electronics. How prepared is your company to handle extra expenses and cost of repairs if production shut down due to a mechanical or electrical breakdown? Most property policies contain exclusions for electrical disturbance, mechanical breakdown, and explosion of steam boilers and piping.

Equipment Breakdown Coverage is designed to help protect a company from accidents that cause direct physical damage to covered objects. This coverage was once known as Boiler and Machinery Insurance. The policy has evolved over the years to cover much more than Boiler and Machinery and now helps to protect against accidents causing direct physical loss including mechanical breakdown, rupturing of moving parts of machinery, boiler explosion, arcing, losses to heating and cooling units, refrigeration equipment, telephone systems, security systems, computers, scanners, and even copiers. In addition to providing coverage for the physical loss of equipment you can also add coverage for loss of income and extra expenses you incur for an additional cost. A power surge going through a building's electrical system is an example of an accident that could cause severe damage to most of the equipment listed AND potentially loss of income. This coverage will not only repair or replace equipment, but also pay the amount of income lost due to the accident and cover the necessary extra expenses to get the business back to the state it was in before the loss.

In summary, Equipment Breakdown Coverage should be an important part of any company's insurance program. It helps you, the business owner, compensate for the losses from a potentially large financial setback caused by an unforeseen equipment breakdown. Equipment Breakdown Coverage can be obtained by an endorsement to your current property policy or by writing a separate stand alone policy.

**Please contact your Hibbs-Hallmark & Company account representative for more information about Equipment Breakdown Coverage.**

**Sincerely,**

***Colin Pope***  
Account Executive