What is equipment breakdown coverage? 4 benefits for your business.



Almost every business today relies on technology to keep operations running smoothly. Everything from computers to communications equipment, machinery and motors to HVAC and electrical systems are critical. For your business to succeed, all of the equipment and systems need to continue working, efficiently and effectively.

But what if a piece of equipment breaks, malfunctions, or experiences damage? These disruptions may lead to lost income, clients, or time. Because your machinery and equipment can be unpredictable, equipment breakdown coverage is essential.

What is equipment breakdown insurance?

Equipment breakdown insurance is an optional feature of business insurance policies. It's key for businesses of all sizes because it adds peace of mind and protection should your mechanical, electrical, or computer equipment go awry.

Here are some important ways your business can benefit from equipment breakdown coverage on your insurance policy.

1. It provides the financial means to repair or replace equipment. Breakdowns are unpredictable … and expensive. With an equipment breakdown policy, you'll get financial help to repair or replace critical equipment, such as:

- Electrical distribution systems
- Electronic equipment
- Telephone systems
- Heating and cooling systems

- Refrigeration equipment

2. It offers coverage for lost income. Let’s say you run a restaurant and service is halted when your refrigerators break down. Or your factory has to put production on hold when a critical machine stops working. Equipment breakdown insurance can cover the loss of business income you incur until you’re able to return to business as usual. Equipment breakdown insurance can even cover the cost to replace lost inventory, such as the spoiled food in your restaurant.

3. It offers peace of mind in modern times. Electronic equipment is often sensitive to internal disturbances, like power surges and electrical shorts. And because so many electronic and electrical systems are interconnected, one small glitch can cause a chain reaction leading to much larger issues. Equipment breakdown insurance can replenish costs associated with the time and labor needed to repair and replace your damaged equipment.

4. It protects for gaps in other coverage. Some businesses may not realize it, but certain equipment damage is not included in commercial property insurance. For example, a commercial property policy may protect equipment from external forces, such as fires and storms, but not against breakdowns, accidental damages, or failures. Equipment breakdown insurance is there to shore up gaps that can be left by other policies.

Now that you know what equipment breakdown insurance is and the benefits it brings to businesses of all sizes, talk to a local, independent agent to learn more about the coverage and get started.