



As Main Street goes high tech, businesses large and small increasingly depend on sophisticated equipment to run their operations. Travelers Boiler & Machinery is right there with them. We don't just offer "boiler" insurance, but equipment breakdown insurance also – which can be tailored to cover anything from heating and ventilation equipment to the latest technology upgrades.

Travelers backs up its boiler & machinery products with unparalleled service – including personalized claim handling, centralized policy processing and 24-hour response on quotes – as well as risk control expertise from more than 750 field consultants and engineers.

Let's face it, equipment breakdowns happen. In fact, business owners across America lose millions of dollars annually because of them. Breakdowns come without warning. They can wreak havoc on any business, in some cases with devastating effect.

But if business owners have coverage through Travelers Boiler & Machinery, they can rest assured they'll stay in-synch with our comprehensive ENERGYMAX 21<sup>SM</sup> equipment breakdown insurance policy while receiving quick claim responses to minimize downtime for their operations.

When you figure the cost of equipment breakdown insurance is typically a fraction of the total cost of property casualty insurance protection, it's a small price to pay for ensuring healthy businesses in the 21st century.

We urge you to review what we have to offer on the following pages and consider contracting with us. We promise you that Travelers Boiler & Machinery coverages and services are second to none.

Anthony Giannone  
President, Travelers Boiler & Machinery

## PRODUCTS FOR THE TIMES

Travelers Boiler & Machinery products address critical coverage gaps found in typical property policies. Our policies can cover losses caused by the breakdown of a variety of insured equipment such as:

- o Air conditioning and refrigeration systems
- o Heating and ventilation equipment
- o Communications and electronic systems
- o Production machinery
- o Pumps and compressors
- o Turbines
- o EDP systems
- o And of course...boilers and pressure vessels

Further, coverage can be extended to include:

- o Spoilage of food or other property due to mechanical breakdown of refrigeration or production equipment
- o Demolition and increased cost of construction
- o Diagnostic equipment

## INTRODUCING QUICK QUOTE

Quick Quote, our new online rating tool available exclusively on *Agent HQ*<sup>SM</sup>, provides quick and easy access to ENERGYMAX 21, our comprehensive and state-of-the-art equipment breakdown policy for businesses of all shapes and sizes. An online tutorial and live Help Desk support (800.253.1304) allow agents to take advantage of Quick Quote's efficient design and speedy binding results.

Quick Quote is primarily geared toward accounts with fewer than ten locations and Total Insurable Values less than \$25 million. The minimum premium is \$250. With Quick Quote's speed and simplicity, writing equipment breakdown insurance has never been easier.



## EASY, FLEXIBLE ACCESS

Travelers specialized equipment breakdown expertise is readily available to agents and brokers through:

**A National Field Network** – Equipment breakdown experts are located in Travelers field offices countrywide, providing local service to quickly respond to customers' individual needs.

**Travelers BoilerExpress<sup>SM</sup> Unit** – More than 30 equipment breakdown experts stand ready to service your agency, providing 24-hour response on quotes and five-day turnaround on policy issuance.

**Quick Quote Online Rating Tool** – Provides quick and easy access to ENERGYMAX 21.

## ENERGYMAX 21

Travelers offers distinctive coverage via our new, proprietary ENERGYMAX 21 equipment breakdown insurance policy. ENERGYMAX 21 is designed to cover specific gaps found in typical property insurance policies, and provides broad, flexible coverage options. Depending upon the exposures, it can be tailored to offer various options and levels of coverage, including:

- **“New Generation” Coverage** – Replaces unrepairable equipment with state-of-the-art technology at up to 125 percent of replacement value.
- **No “In Use” Restriction** – Coverage extends to disconnected or inoperable equipment – not just equipment currently in use.
- **Broad Coverage for Newly Acquired Locations** – Offers business income and extra expense coverage, in addition to physical damage coverage, for newly purchased or leased locations.
- **Brands and Labels Coverage** – Allows for covered branded goods that have been damaged by a covered cause of loss to be re-labeled, prior to being taken as salvage.
- **Automatic Coverage for Errors in Description** – Protects against unintentional errors in location schedule specifications.
- **Ordinance or Law Coverage** – Reimbursement for costs related to demolition and the higher cost of reconstruction attributable to more stringent building codes in the area.
- **Selling Price Valuation** – For property manufactured by an insured and spoiled finished goods.
- **Extended Warranty or Maintenance Service Contract** – Covers loss of unused warranty or service contract costs.

## CLAIM SERVICES

At Travelers, our mission is to rapidly respond and then closely manage each claim to resolution. To deliver on our promise of results-driven claim services, we have **claim professionals dedicated specifically to equipment breakdown business**. Located in claim centers throughout the country, and backed by the Travelers engineering infrastructure, they are extremely responsive. A claim professional is designated for each investigation and will work with you to develop a process that will drive results.

### High Tech and High Touch

Claims can be reported 24 hours a day, 365 days a year. We can be reached by toll-free phone, fax, or via the Internet.

### Expert Customer Service

Travelers' dedication to customer service has led to the development of one of the most advanced, comprehensive claim management systems in the industry.

By recognizing that “one size does not fit all”, Travelers allows its customers more options and choices in claim service delivery than our competitors. We've struck the right balance of lower costs, uniform claim management and locally driven claim settlement approaches. The balance boils down to this: **expert customer service**.

## RISK CONTROL

Lower loss costs. Safer workplaces. Your equipment breakdown insureds can realize both with Travelers Risk Control services. We have more than 750 field consultants and engineers across North America ready to work with you and your clients. They can uncover potential hazards or minimize the effects of accidents when they occur.

Our Risk Control professionals can conduct a comprehensive engineering survey to help determine:

- Dependency/versatility of power supply
- Identification of critical equipment
- Availability of spare or rental equipment
- Adequacy of contingency plan

### Jurisdictional Equipment Inspections

We have an entire team of board-certified engineers dedicated exclusively to servicing the complex equipment breakdown business. All are commissioned to provide jurisdictional inspection services required by statute. These engineers can also assist in establishing maintenance and repair programs for all types of mechanical and electrical equipment. Plus, if needed, we will work with insureds to identify when predictive services can assist in their operations.

## TYPICAL LOSSES

### OFFICE BUILDING

A 200-ton air conditioning system froze due to control failure. Since it was summer, a rental unit had to be brought in until the main unit was returned to service.

**Loss: \$31,000; Extra Expense: \$11,500**

### RESTAURANT

A 100-ton hermetic air conditioning system suffered a motor burnout due to single phasing, requiring complete rewind.

**Loss: \$12,050**

### FRATERNAL ORGANIZATION

A cast iron boiler overheated due to a low water condition. The low water cutout failed to shut the burner off. The boiler had to be completely replaced.

**Loss: \$25,500; Business Interruption: \$7,500**

### RESTAURANT

A water heater overheated and ruptured due to a control failure and a malfunctioning relief valve. The building also suffered water damage.

**Loss: \$72,000; Business Interruption: \$42,100**

### HYDROPONICS FARMING

An entire crop of cucumbers was lost due to the failure of an environmental control computer that shut down after a mouse damaged a circuit board.

**Loss: \$1,463**

**Consequential Damage  
and Business Interruption: \$180,000**

### HOTEL

An incoming voltage surge resulted in the failure of both the communication and environmental control systems.

**Loss: \$120,000; Business Interruption: \$210,000**

### DEPARTMENT STORE

A 30-horsepower dc elevator motor failed due to short circuit between windings. The motor, which was replaced, was located in the 15th floor penthouse.

**Loss: \$3,200 for the motor, plus \$8,000 for rigging.**

### MANUFACTURING FIRM

A 1000 kva transformer failed due to a supply line switching surge. A rental unit was located within two days and used until the owned transformer was rewound.

**Loss: \$18,000; Extra Expense: \$24,000**

### MACHINE SHOP

The tail stock on a large lathe failed due to fatigue, dropping a turbine rotor while it was being machined.

**Loss: \$138,900; Extra Expense: \$25,000**

### SEWAGE TREATMENT PLANT

A large air blower seized up due to a lubrication failure, resulting in the curtailment of sledge treatment. A rental blower was brought in until repairs were completed.

**Loss: \$33,100; Extra Expense: \$8,700**

### HOTEL

A large steam turbine-driven centrifugal compressor failed due to lubrication problems, resulting in loss of air conditioning to the main ballroom and meeting areas.

**Loss: \$42,500; Business Interruption: \$132,000**

### RETAIL STORE

A 75-horsepower reciprocating air conditioning compressor failed due to liquid slugging.

**Loss: \$5,780**

### MANUFACTURING FIRM

Severe overheating of a watertube boiler occurred due to a low-water condition, resulting in loss of about 40 percent of the tubes.

**Loss: \$31,300; Business Interruption: \$130,000**

### SERVICE STATION

An air receiver, with a compressor mounted directly on the tank using welding supports, had to be removed from service due to cracking from vibration.

**Loss: \$4,750**

### PHARMACEUTICAL OPERATION

A computer malfunction caused by the spillage of a can of soda on a keyboard resulted in an interruption to the circulation of water in a seaweed bed. Damage to the seaweed caused the loss of a quantity of extract used in the manufacture of a specialized drug.

**Loss: \$1,250; Business Interruption: \$216,000**

### SUBURBAN HOSPITAL

An emergency generator failed during a weekly test. It was found that the generator needed to be completely rewound. A rental unit had to be secured until repairs were completed.

**Loss: \$31,000; Extra Expense: \$8,900**

### URBAN HIGH SCHOOL

A failure occurred in the low voltage switch gear that fed the entire school. Due to its construction, the failure spread throughout the entire switch gear line up.

**Loss: \$230,000**

### LARGE DAIRY OPERATION

A mechanical vapor re-compressor in the mild evaporation cycle suffered a rotor failure, effectively stopping processing of milk into powder.

**Loss: \$248,800; Business Interruption \$754,000**

### SMALL PAPER MILL

The small steam turbine driving the paper machine went into overspeed, resulting in the destruction of the turbine and the line shaft driving the paper machine.

**Loss: \$42,300; Business Interruption: \$280,000**

## TYPES OF EQUIPMENT

### AIR CONDITIONING AND REFRIGERATION EQUIPMENT

Air conditioning equipment has become critical to businesses and service operations to maintain temperature control for either comfort or process needs.

The Travelers ENERGYMAX 21 policy insures against the breakdown of air conditioning and refrigeration system components including motors, compressors, coils, pressure vessels and controls.

### BOILERS AND PRESSURE VESSELS

Most businesses, including manufacturing, retail and service, plus occupancies such as apartments, schools, churches and fraternal organizations, are dependent on boilers to provide heat or process steam for manufacturing operations.

Pressure vessels can be found in compressed air systems. Many hospitals and food service operations use them in conjunction with sterilizers and cookers. The Travelers ENERGYMAX 21 policy provides coverage for the accidental breakdown of boilers and pressure vessels.

### BUSINESS EQUIPMENT

The competitive edge of modern business operations is the use of sophisticated equipment and systems. Computer-controlled telecommunications systems, full building energy management systems, and distributed control systems also operate production businesses.

The Travelers ENERGYMAX 21 policy provides protection against breakdown to these critical components.

### ELECTRICAL EQUIPMENT

Virtually all manufacturing, retail and service businesses depend on electrical equipment in their operations. Electrical system failures are among the most common and costly types of equipment breakdown losses.

The Travelers ENERGYMAX 21 policy offers coverage against the breakdown of motors, generators, transformers, switch gear and electrical-related equipment.

### MECHANICAL EQUIPMENT

Commercial and manufacturing operations depend heavily upon mechanical equipment. This can vary from compressors to pumps, from steam turbines to punch presses, or from rotating dryers to gear sets.

The Travelers ENERGYMAX 21 policy provides coverage for the breakdown of such mechanical equipment.

## FREQUENT TYPES OF LOSSES

- Loss of electric motor due to single phasing.
  - Loss of compressor due to liquid slugging or lack of lubrication.
  - Heat exchanger tube failure.
  - Failure of system controls due to voltage surges.
  - Loss of evaporator tubing due to internal vibration or chiller freeze-up from control failure.
- 
- Boiler tube failure due to scale buildup inside the tubes.
  - Cast iron boiler "burnout" due to failure of the low water fuel cutout.
  - Air tank failure from cracking due to external vibration.
  - Hot water heater overheating and rupturing due to control malfunction.
  - Process vessel failure due to internal cracking.
- 
- Circuit board failure due to voltage spike.
  - Failure of control system due to ground fault.
  - Communications system failure due to excessive moisture in operating cabinets.
  - Computer system failure due to supply voltage surge.
- 
- Motor failure due to single phase operation or loss of lubrication.
  - Transformer failure due to line voltage surge or insulation deterioration.
  - Cable or bus duct failure due to loose connections or insulation deterioration.
  - Generator failure due to winding burnout or prolonged overload.
  - Control failure due to poor contacts or lack of maintenance.
- 
- Bearing or shaft failure from loss of lubrication.
  - Coupling failure due to overload.
  - Gear tooth failure due to misalignment or lubrication problems.
  - Mechanical press frame failure due to double blanking or overload.
  - Steam turbine failure due to excessive overspeed.



**FOR YOUR DELUXE III PROPERTY POLICY**

Travelers Equipment Breakdown insurance provides coverage for the breakdown of equipment critical to America's businesses.

**TRAVELERS EQUIPMENT BREAKDOWN ENDORSEMENT PROVIDES COVERAGE FOR THE FOLLOWING CAUSES OF LOSS THAT ARE TYPICALLY EXCLUDED OR LIMITED IN PROPERTY POLICIES:**

- o Loss or damage caused by, or resulting from, artificially generated electric current - including electric arcing - that disturbs electrical devices, equipment, appliances or wires
- o Loss or damage caused by mechanical breakdown including rupture or bursting caused by centrifugal force
- o Loss or damage caused by explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control
- o Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by, or resulting from conditions or events inside such equipment
- o Loss or damage to hot water boilers or other water heating equipment caused by, or resulting from conditions or events inside such equipment

**WHY ADD EQUIPMENT BREAKDOWN COVERAGE?**

Most traditional property policies do not provide coverage for the breakdown of critical equipment such as:

- o mechanical or electrical equipment
- o boilers and pressure vessels
- o air conditioning and refrigeration equipment
- o critical communications systems

Travelers Equipment Breakdown Endorsement provides a full range of equipment breakdown coverages which stay in-synch with your Deluxe III Property Equipment Breakdown Policy.

**Contact your Travelers Account Executive and add an Equipment Breakdown Endorsement to your Deluxe III Property Policy.**

or

**Call our Boiler & Machinery unit toll-free at**

**888.224.2638**

## AIR CONDITIONING AND REFRIGERATION EQUIPMENT

Air conditioning equipment is critical to maintain temperature control for either comfort or process needs.

### FREQUENT TYPES OF BREAKDOWNS INCLUDE:

- Loss of electric motor due to single phasing or water leakage into refrigerant.
- Loss of compressor due to liquid slugging or lack of lubrication.
- Breakdown of system controls due to voltage surges.
- Loss of evaporator tubing due to internal vibration, or air conditioning system freeze-up due to breakdown of the controls.

### TYPICAL LOSSES \$:

#### OFFICE BUILDING

A 200-ton air conditioning system froze due to breakdown of controls. Since it was summer, a rental unit had to be brought in until the main unit was returned to service.

**Loss: \$31,000**

**Extra Expense: \$11,500**

#### RETAIL STORE

A 75-horsepower reciprocating air conditioning compressor failed mechanically due to liquid slugging.

**Loss: \$5,780**

## BOILERS AND PRESSURE VESSELS

Most buildings are dependent on boilers to provide heat or to process steam for manufacturing operations. Pressure vessels can be found in compressed air systems. Many hospitals and food service operations use them in conjunction with sterilizers and cookers

### FREQUENT TYPES OF BREAKDOWNS INCLUDE:

- Boiler tube breakdown due to scale buildup inside the tubes.
- Cast iron boiler cracking due to breakdown of the low water fuel cutout.
- Air tank breakdown from cracking due to external vibration.
- Hot water heater overheating and rupturing due to control malfunction.

### TYPICAL LOSSES \$:

#### RESTAURANT

A water heater overheated and ruptured due to a breakdown of controls and a relief valve. The building also suffered water damage.

**Loss: \$72,000**

**Extra Expense: \$42,100**

#### MANUFACTURING FIRM

Severe overheating of a watertube boiler occurred due to a low-water condition, resulting in loss of about 40% of the tubes.

**Loss: \$31,300**

**business interruption: \$130,000**

## BUSINESS EQUIPMENT

The competitive edge of modern business operations is the use of sophisticated equipment and systems. Computer controlled telecommunications systems, full building energy management systems, and distributed control systems are now very common in both industrial and commercial buildings.

### FREQUENT TYPES OF BREAKDOWNS INCLUDE:

- Circuit board electrical breakdown due to voltage spike
- Breakdown of control system due to ground fault.
- Communications system electrical breakdown due to excessive moisture in operating cabinets.

### TYPICAL LOSSES \$:

#### HYDROPONICS FARMING

An entire crop of cucumbers was lost due to electrical breakdown of an environmental control computer that shut down after a mouse damaged a circuit board.

**Loss: \$1,463**

**Consequential Damage & Business Interruption: \$180,000**

#### HOTEL

An incoming voltage surge resulted in electrical breakdown of both the communication and environmental control systems.

**Loss: \$120,000**

**Business Interruption: \$210,000**

## ELECTRICAL EQUIPMENT

Virtually all manufacturing, retail and service businesses depend on electrical equipment. And, electrical system failures are among the most common and costly.

### FREQUENT TYPES OF BREAKDOWNS INCLUDE:

- Motor breakdown due to single phase operation or loss of lubrication.
- Transformer breakdown due to line voltage surge or insulation deterioration.
- Cable or bus duct breakdown due to loose connections or insulation deterioration.
- Generator breakdown due to winding burnout or prolonged overload.
- Breakdown of controls due to poor contacts or lack of maintenance.

### TYPICAL LOSSES \$:

#### SUBURBAN HOSPITAL

An emergency generator failed electrically during a weekly test. It was found that the generator needed to be completely rewound. A rental unit had to be secured until repairs were completed.

**Loss: \$31,000**

**Extra Expense: \$8,900**

#### DEPARTMENT STORE

A 30-horsepower direct current elevator motor failed electrically due to insulation deterioration. The motor, which was replaced, was located in the 15th floor penthouse.

**Loss: \$3,200 for the motor, plus \$8,000 for rigging.**

## MECHANICAL EQUIPMENT

Commercial and manufacturing operations depend heavily upon mechanical equipment. This can vary from compressors to pumps, steam turbines to punch presses, or rotating dryers to gear sets.

### FREQUENT TYPES OF BREAKDOWNS INCLUDE:

- Bearing or shaft breakdown from loss of lubrication.
- Coupling breakdown due to overload.
- Gear tooth breakdown due to misalignment or lubrication problems.
- Mechanical press frame breakdown due to double blanking or overload.
- Steam turbine breakdown due to excessive overspeed.

### TYPICAL LOSSES \$:

#### LARGE DAIRY OPERATION

A mechanical vapor re-compressor in the evaporation cycle suffered a mechanical failure of the rotor, effectively stopping the processing of milk into powder.

**Loss: \$248,800**

**Business Interruption: \$754,000**

#### MACHINE SHOP

The tail stock on a large lathe failed mechanically due to fatigue, dropping a turbine rotor while it was being machined.

**Loss: \$138,900**

**Extra Expense: \$25,000**





**FOR YOUR PROPERTY PACKAGE POLICY**

Travelers Equipment Breakdown Insurance provides coverage for the breakdown of equipment critical to America's businesses.

**TRAVELERS EQUIPMENT BREAKDOWN ENDORSEMENT PROVIDES COVERAGE FOR THE FOLLOWING CAUSES OF LOSS THAT ARE TYPICALLY EXCLUDED OR LIMITED IN PROPERTY POLICIES:**

- o Loss or damage caused by, or resulting from, artificially generated electric current - including electric arcing - that disturbs electrical devices, equipment, appliances or wires
- o Loss or damage caused by mechanical breakdown including rupture or bursting caused by centrifugal force
- o Loss or damage caused by explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control
- o Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by, or resulting from conditions or events inside such equipment
- o Loss or damage to hot water boilers or other water heating equipment caused by, or resulting from conditions or events inside such equipment

**WHY ADD EQUIPMENT BREAKDOWN COVERAGE?**

Most traditional property policies do not provide coverage for the breakdown of critical equipment such as:

- o mechanical or electrical equipment
- o boilers and pressure vessels
- o air conditioning and refrigeration equipment
- o critical communications systems

Travelers Equipment Breakdown Endorsement provides a full range of equipment breakdown coverages which stay in-synch with your Property Package Policy.

**Contact your Travelers Account Executive and add an Equipment Breakdown Endorsement to your Property Package Policy.**

or

**Call our Boiler & Machinery unit toll-free at**

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## ELECTRICAL EQUIPMENT

Virtually all manufacturing, retail and service businesses depend on electrical equipment. And, electrical system failures are among the most common and costly.

### FREQUENT TYPES OF BREAKDOWNS INCLUDE:

- Motor breakdown due to single phase operation or loss of lubrication.
- Transformer breakdown due to line voltage surge or insulation deterioration.
- Cable or bus duct breakdown due to loose connections or insulation deterioration.
- Generator breakdown due to winding burnout or prolonged overload.
- Breakdown of controls due to poor contacts or lack of maintenance.

### TYPICAL LOSSES \$:

#### OFFICE BUILDING

Elevator motor failed.

**Loss: \$19,800**

#### DEPARTMENT STORE

A 30-horsepower direct current elevator motor failed electrically due to insulation deterioration. The motor, which was replaced, was located in the 15th floor penthouse.

**Loss: \$3,200 for the motor, plus \$8,000 for rigging.**

## MECHANICAL EQUIPMENT

Commercial and manufacturing operations depend heavily upon mechanical equipment. This can vary from compressors to pumps, steam turbines to punch presses, or rotating dryers to gear sets.

### FREQUENT TYPES OF BREAKDOWNS INCLUDE:

- Bearing or shaft breakdown from loss of lubrication.
- Coupling breakdown due to overload.
- Gear tooth breakdown due to misalignment or lubrication problems.
- Mechanical press frame breakdown due to double blanking or overload.
- Steam turbine breakdown due to excessive overspeed.

### TYPICAL LOSSES \$:

#### CABINETRY MANUFACTURER

A computerized saw was damaged when a gear broke. The wood had to be cut by hand while waiting for parts from Italy.

**Loss: \$3,631**

**Business Interruption and Extra Expense: \$266,991**

#### MACHINE SHOP

The tail stock on a large lathe failed mechanically due to fatigue, dropping a turbine rotor while it was being machined.

**Loss: \$138,900**

**Extra Expense: \$25,000**





Equipment breakdown policies are not alike. Choosing one policy over another is a very critical decision. By choosing Travelers, you not only get a superior policy at a competitive price, you get a strong and professional staff of underwriters, engineers and claims specialists who support every policy we issue. Superior products and service are a Travelers hallmark. The ENERGYMAX 21 equipment breakdown insurance policy exemplifies our commitment to providing excellent insurance to our customers.

Business owners, large and small alike, need to insure against equipment breakdown because standard property policies typically do not respond to such events. Because there are known and unknown risks in our world of technology, it is important to have equipment breakdown insurance that stays in-synch with these risks. Equipment breakdown insurance – a small price to pay for insuring healthy businesses in the 21<sup>st</sup> century.

### THE POLICY

It's not often an insurance policy makes for easy reading. The Travelers ENERGYMAX 21 policy is very simple to understand. The coverage is there, spelled out in straightforward terms. All you need to decide is the level of protection your business needs, should the worst-case scenario happen. And should you need any guidance in this important decision-making process, our professional staff is there to help.



### CLAIM SERVICE

Travelers' dedication to customer service has led to the development of one of the most advanced, comprehensive claim management systems in the industry. By recognizing that "one size does not fit all," Travelers allows its customers more options and choices in claim service delivery than our competitors. We've struck the right balance between lower costs and customized approaches. The balance boils down to this: expert customer service.

### RISK CONTROL

Travelers has an entire team of board-certified engineers dedicated exclusively to servicing the complex equipment breakdown business. All are commissioned to provide statutorily-mandated inspections of boiler and pressure vessels. These specialists can also evaluate or assist in establishing maintenance and repair programs for all types of mechanical and electrical equipment. Plus, if needed, they will work with insureds to identify when predictive services can assist in your operations.

## ENERGYMAX 21 COVERAGES

Travelers ENERGYMAX 21 coverage is self-contained. This means that comprehensive equipment breakdown coverage is automatically included in the policy, so there's no need for guessing. You'll also be pleased with our broad definition of what is covered, should a breakdown occur. See our Comprehensive Breakdown Coverages chart on the next panel.

Even seemingly minor equipment failure can have a major impact on a company's bottom line. Here are a few examples:

### OFFICE BUILDING

A 200-ton air conditioning system froze due to control failure. Since it was summer, a rental unit had to be brought in until the main unit was returned to service.  
**Loss: \$31,000    Extra Expense: \$11,500**

### RESTAURANT

A water heater overheated and ruptured due to a control failure and a malfunctioning relief valve. The building also suffered water damage.  
**Loss: \$72,000    Business Interruption: \$42,100**

### MANUFACTURING FIRM

A 1000 kva transformer failed due to a supply line switching surge. A rental unit was located within two days and used until the owned transformer was rewound.  
**Loss: \$18,000    Extra Expense: \$24,000**

### MACHINE SHOP

The tail stock on a large lathe failed due to fatigue, dropping a turbine rotor while it was being machined.  
**Loss: \$138,900    Extra Expense: \$25,000**

### HOTEL

An incoming voltage surge resulted in the failure of both the communication and environmental control systems.  
**Loss: \$120,000    Business Interruption: \$210,000**

### RETAIL STORE

A 75-horsepower reciprocating air conditioning compressor failed due to a liquid slugging.  
**Loss: \$5,780**



## COMPREHENSIVE EQUIPMENT BREAKDOWN COVERAGES

<b>Property Damage</b>	should a breakdown cause damage to your covered property
<b>Business Interruption</b>	should a breakdown cause a decrease to your net income
<b>Extra Expense</b>	should you incur additional cost to operate your business following a breakdown
<b>Spoilage</b>	should a breakdown cause raw materials, property in process or finished products to spoil
<b>Utility Interruption</b>	should you experience a loss caused by a breakdown at a utility
<b>Brands and Labels</b>	allows for and covers the cost of covered branded goods that have been damaged by a covered cause of loss to be re-labeled, prior to being taken as salvage
<b>Contingent Time Element</b>	to protect against loss of income or incurred extra expense caused by a breakdown to non-owned businesses you depend on to supply, deliver, buy or sell your product or which attracts customers to your business
<b>Data/Media</b>	should either be lost or corrupted as a direct result of a breakdown
<b>Errors in Descriptions</b>	should an unintentional error occur which interferes with the payment of a loss
<b>Expediting</b>	to expedite the permanent repairs or replacement of your damaged property
<b>Newly Acquired</b>	to automatically provide coverage for new locations until they are reported
<b>Ordinance or Law</b>	to provide protection against increased costs due to local ordinances and laws
<b>Ammonia Contamination</b>	should covered property be contaminated by ammonia
<b>Hazardous Substances</b>	should covered property be contaminated by hazardous substances
<b>Water Damage</b>	should covered property be damaged by water as the result of a breakdown
<b>New Generation Coverage</b>	replaces unrepairable equipment with state-of-the-art technology at up to 125 percent of replacement value
<b>Selling Price Valuation</b>	for property manufactured by an insured and spoiled finished goods
<b>Extended Warranty or Maintenance Service Contract</b>	covers loss of unused extended warranty or service contract costs



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