



Equipment Breakdown

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Is the time of the loss when you want to discover what's not covered in your client's homeowner policy?

Not all homeowners policies include mechanical and breakdown loss coverage - Crestbrook's offers broad coverage. Simple misuse, faulty installation, or poor maintenance can cause a breakdown that is costly to repair or replace. Intended for everyday maintenance, home and extended warranties can be very limited and expensive. Equipment Breakdown protects your clients from large losses which can easily cost thousands of dollars. By some estimates, **home maintenance expenses that include expenses related to equipment breakdown can cost between 1% and 3% of a home's value per year.**

How Your Clients are at Risk

Crestbrook's most common Equipment Breakdown claims involve losses to appliances. The last claim submitted was for a fully customized deluxe built-in oven that broke down. Our client requested that the inspection take place the very next day, so the claims team accommodated the request and worked closely with the client to ensure the process was easy. Immediately upon inspection, it was determined that the cause of loss was due to an electrical breakdown which caused severe damage to the oven. Fortunately for our client, he had a Crestbrook homeowners coverage that covered this breakdown *, allowing us to submit our findings and request a full replacement (for a like-kind quality oven) to our reinsurance partner, Mutual Boiler Re (MBRe). Our client let us know that he was very pleased with our proactive, caring, and expeditious claims service.

How Crestbrook Responds?

With Crestbrook, your clients can enjoy the added benefits of equipment breakdown protection, as we include our Equipment Breakdown Enhancement Endorsement automatically with every Crestbrook Home policy.

If an appliance or other household system breaks down†, our coverage provides up to \$100,000 after a \$500 deductible for the repair or replacement of the item. Examples of covered items include Home Infrastructure Systems: HVAC, water heaters, boilers, air/water filtration, pool equipment, chair lifts, alarm systems, electronic or fiber optic equipment within the home. Personal Property such as appliances, computers, entertainment systems, consumer electronics, exercise equipment, and other power equipment.

Examples of Covered Equipment and Potential Costs:

- Home Entertainment Equipment \$5,000 + (for example, breakdown of internal electronic components‡)
- Kitchen and Laundry Appliances \$3,000 - \$20,000 (for example, refrigerator compressor failure - \$7,500‡)
- Chair Lifts and Elevators \$1,500 - \$25,000 (for example, main control panel failure‡)
- Home Security Monitor Systems \$1,000 + (for example, main control panel failure‡)
- Furnace, Boiler or Heat Pumps \$2,000 - \$12,000 (for example, gas water heater tank rupture - \$4,850‡)
- Solar, Wind & Geothermal Heating \$10,000 - \$50,000 (for example, electrical arcing or motor turbine failure‡)

* Subject to a \$500 deductible.

† Not due to wear and tear.

‡ Estimated amounts of potential exposure (costs).



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Examples of Covered Equipment and Potential Costs (continued):

- Air Conditioning \$5,000 - \$12,000 (for example, from line failure in coils - \$6,000)
- Water Purification and Filtration \$1,500 - \$5,000 (for example, regenerator motor failure)
- Radiant Floor Heating \$5,000 + (for example, failure of the boiler feeding the water lines)

Crestbrook's Equipment Breakdown Enhancement Endorsement also includes:

- Up to \$10,000 for expediting expenses , such as fees related to repairing or replacing the item at an expedited pace or making temporary repairs – some competitors only pay up to \$5,000
- Up to \$10,000 for refrigerated property that spoils as a result of equipment breakdown. Other mechanical equipment forms may only include up to \$5,000 for refrigerated property
- Up to \$10,000 for pollution clean-up related to an equipment breakdown loss – some competitors only pay up to \$5,000
- Up to 150% of the cost to repair or replace an item with like kind and quality equipment that is better for the environment, safer or more efficient – some competitors only pay up to 125%
- Pay reasonable fees incurred by your client for an accredited "green authority" to participate in the repair and for the cost incurred for certification or recertification as "green"

Why It's Important For You & Your Clients?

As your clients' trusted advisor, you work hard to make sure your clients have adequate coverage for their unique needs. Given the fact that mechanical breakdown is not a covered cause of loss under traditional homeowners policies, the time of a loss to your client's home is no time to discover what's not covered in their homeowners policy.

Crestbrook Offers These Benefits:

- Differentiates your capabilities as an advisor and addresses a major gap in home coverage.
- Coverage up to **\$100,000 per occurrence**, subject to a \$500 per occurrence deductible
- Higher limits than competitor forms for refrigerated property, expediting expenses, pollution clean-up, and up to 150% of the cost to repair or replace an item with like kind and quality equipment that is better for the environment
- Exceptional Claims handling in partnership with Mutual Boiler Re (MBRe), a company that has provided equipment breakdown coverage for more than 130 years

Why Crestbrook?

With Crestbrook, you and your clients have direct access to exceptional products and services. Our white glove approach ensures that the experience is one that cannot be found anywhere else in the industry. **We invite you to join us in this differentiated experience by choosing Crestbrook today.**

Additional Resources

- [Equipment Breakdown – For Agents](#)
- [Equipment Breakdown – For Your Client](#)



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