



Equipment Breakdown

Frequently asked questions

### 1. Why does my customer need equipment breakdown coverage?

Almost all businesses have an equipment breakdown exposure. Even smaller businesses will operate off of a main electrical panel, use a boiler, or have air conditioning. A breakdown to one of these key pieces of equipment can result in a business paying for the repair and replacement of the equipment, as well as lost business income.

### 2. Who underwrites equipment breakdown insurance at Intact?

We have a specialized team of equipment breakdown underwriters across the country to ensure that your customers' equipment breakdown exposures are fully addressed.

### 3. What type of customer will benefit from equipment breakdown coverage?

Equipment Breakdown insurance is suitable for businesses of all sizes. We offer 2 equipment breakdown products to best suit their needs: **Equipment Breakdown MAX** and **Equipment Breakdown Advantage**.

### 4. What is the difference between the Equipment Breakdown MAX and the Equipment Breakdown Advantage?

The Equipment Breakdown MAX is an "all-in-one" product intended for low to medium hazard risks. The Equipment Breakdown Advantage is ideal for more complex risks and can be tailored to fit the unique needs of each customer. For more information, please view our product fact sheets in the **Broker Lobby**.

## 5. Can Intact write equipment breakdown on a standalone policy?

Yes, both the Equipment Breakdown MAX and Equipment Breakdown Advantage can be issued as a standalone policy or packaged with an Intact property policy.

## 6. What is the Environmental (“Green”) Improvements coverage?

This coverage (included in both equipment breakdown products) provides the ability to adjust losses at 125% of the loss amount (up to \$250,000) for an environmental upgrade to the affected piece(s) of equipment.

## 7. What is the Technological Improvements coverage?

This coverage (included in both equipment breakdown products) provides an additional 25% of the value of the damaged equipment for a technological upgrade after a loss.

## 8. Are the new equipment breakdown wordings available for US locations?

The new equipment breakdown wordings are available for Canadian locations only. We can offer equipment breakdown coverage through our Cross Border team, however the locations are insured under a U.S. wording and coverage must be packaged with property coverage. For more information, please contact a Cross Border underwriter or Specialty Solutions business development manager.

## 9. Who do I contact if I have any further questions about equipment breakdown coverage?

You can speak with your business development manager or an underwriter.

## 10. Where can I get more information about the Equipment Breakdown products?

Please visit the **Broker Lobby** or [intactspecialty.ca](http://intactspecialty.ca) for fact sheets, product comparisons and claims scenarios.

# EQUIPMENT BREAKDOWN ADVANTAGE

## 11. How does the Equipment Breakdown MAX differ from the previous coverage?

The Equipment Breakdown Advantage has been enhanced to address the modern exposures businesses face. The wording now includes limited coverage for mobile equipment, higher sublimits for numerous coverage extensions and much more.

## 12. What business interruption coverages are available as part of the Equipment Breakdown Advantage?

We offer three business interruption endorsements:

- Actual Loss Sustained
- Loss of Profits
- Gross Earnings

## 13. What is the difference between the three business interruption coverages?

	<b>BM32 Actual Loss Sustained</b>	<b>BM33 Loss of Profits</b>	<b>BM38 Gross Earnings</b>
<b>Value of Lost Income</b>	Reduction of turnover plus increased cost to reduce loss	Reduction of turnover plus increased cost to reduce loss	Reduction of gross profit less increased costs to reduce loss
<b>Indemnity</b>	Until same turnover as before the equipment broke down	Until same turnover as before the equipment broke down and limited to the amount declared	Until “normal operations” achieved and limited to the amount declared
<b>Max Indemnity Period</b>	12 months	As per declarations	As per declarations
<b>Coinsurance</b>	None	100%	80%

## 14. What other coverages are available as part of the Equipment Breakdown Advantage?

- Extra Expense
- Ordinary Payroll
- Gross Rents
- Contingent Business Interruption
- Consequential Damage (spoilage)

## 15. What is the maximum direct damage (property damage) limit available for the Equipment Breakdown Advantage?

There is no maximum direct damage limit for the Equipment Breakdown Advantage.

## EQUIPMENT BREAKDOWN MAX

## 16. How does the Equipment Breakdown MAX differ from the previous “all-in-one” coverage?

The Equipment Breakdown MAX has been enhanced to address the modern exposures businesses face. This coverage can now be offered on a standalone policy as well as packaged with an Intact Insurance property policy. The coverage is a single, broad option that is priced to the exposures of the individual insured.

## 17. What is the maximum direct damage (property damage) limit available for the Equipment Breakdown MAX?

The maximum direct damage limit available on the Equipment Breakdown MAX is \$30 million per location.

## 18. What coverages make up the Equipment Breakdown MAX product?

The Equipment Breakdown MAX includes:

- Direct Damage
- Business Interruption
- Extra Expense
- Consequential Damage (spoilage)

## CONVERSION

## 19. What will happen to my customers who currently have Equipment Breakdown coverage with Intact Insurance?

Your customers who currently have coverage under the:

- BM11 or BM12 will automatically be transferred to the **Equipment Breakdown MAX**.
- BM30 series will automatically be transferred to the **Equipment Breakdown Advantage**.

## 20. Has any coverage been reduced or removed on the updated form?

We have tightened up the wording in some areas where we were previously silent. Depending on the province the customer's location is in, some coverage may have been reduced. We have added a 24-month liberalization clause (with a limit of \$50,000) to the policies to address differences in coverages, deductible, amounts and limits, to close any unintended coverage gaps and to ensure that the client receive the most favourable policy terms and conditions.

## 21. Will the changes to the Equipment Breakdown coverage affect my customers' premiums?

Policies will be reviewed on an individual basis which may result in minor premium changes to account for coverage enhancements.