

FAQ: Equipment Breakdown Coverage

Here are some common questions and answers about Equipment Breakdown coverage.

Q: What does Equipment Breakdown protection cover?

A: It covers mechanical breakdown, electrical breakdown and pressure system breakdown for your insured property.

Q: What are some examples of protected equipment?

A: Air conditioning systems, electrical panels, televisions, washers, dryers, computers, garage door openers, sump pumps, fans, stereo equipment, deep well pumps, heat pumps, swimming pool equipment, hot water heaters and much more! Generally, anything in your home that can fail mechanically or electrically is covered.

Q: What are possible examples of claims that may be covered by this endorsement?

A: One of the most frequent claims we see occurs when a policyholder's HVAC unit breaks down. Upon investigation, it's determined the compressor incurred a locked rotor condition. The total replacement cost for the HVAC unit is \$7,800. After the \$500 deductible, Equipment Breakdown protection would cover the remaining \$7,300.

Another example of a frequent claim scenario is when a policyholder has a variety of electronic equipment fail. Based on a number of repair reports and estimates, it was confirmed that the property had been damaged by power surge. The itemized incurred loss was: \$600 for a five disc CD player, \$135 for a television, \$35 for CD player/alarm, \$15 for an AM/FM clock radio, \$17 for a power supply adapter, \$700 for refrigeration repair, \$296 for microwave repair, \$202 for dishwasher repair, \$309.65 for garage door opener replacement, \$400 for computer repair, \$170.18 for heating, ventilation, and air conditioning repair, and \$358.87 for spoilage. If the total claim submitted is \$3,238.70, after the \$500 deductible is met, Equipment Breakdown protection would cover the remaining \$2,738.70.

Q: Tell me about the sub-limited coverages and what they would protect.

A: **Expediting Expense:** This would cover the cost to ship a replacement part overnight to expedite the repair process. The benefit is the insured does not want to have to wait several days for the part to be restocked (a huge benefit if your air conditioner is broken in Florida in July).

Spoilage: This coverage would pay for the contents in a refrigerator that were spoiled due to an equipment breakdown. The contents of a refrigerator can be costly and often include prescription medicines. The sublimit is \$10,000.

Pollutant Clean up and Removal: An example would be the cost to professionally clean up refrigerant or a solvent that has leaked onto the ground. Some pollutants often require professionals to clean up and/remove in the event of a discharge. The sublimit is \$10,000.

Q: What is "Green" coverage?

A: Green coverage is designed to provide coverage to repair or replace damaged covered property with equipment that qualifies as "green." It also provides coverage to pay fees, certification costs, and disposal costs associated with going green. The coverage limit is 150% of what the cost would have been to repair or replace such property with like kind and quality inclusive of fees, costs, and any loss of use loss incurred.

For complete information regarding coverage provided by this endorsement, please review the policy form. This document does not alter or amend any policy coverage, exclusions, terms or conditions.

Q: Does Equipment Breakdown provide Loss of Use Coverage?

A: Yes, Equipment Breakdown provides coverage for Loss of Use just like any other peril covered under your policy. Coverage is provided up to the limits provided in your policy or the Equipment Breakdown limit of \$100,000 (whichever is less).

Q: Does an unendorsed Homeowners or Dwelling Fire policy already cover mechanical breakdown?

A: No, there are specific exclusions for mechanical breakdown and electrical disturbance. By adding the Equipment Breakdown protection, you are enhancing your policy.

Q: How does Equipment Breakdown coverage differ from a home warranty?

A: The cost and the simplicity of being a part of your regular Homeowners, Dwelling Fire or LPP policy is one difference. This coverage applies to all real and personal property. Some warranties restrict certain equipment or may include it at an additional cost. Home warranties are often more expensive and they typically don't include off-premises losses, expediting expenses, spoilage and Loss of Use. Home warranty coverage may also be more restrictive regarding selection of repair contractors.

Q: Is Equipment Breakdown coverage available in all states?

A: Equipment Breakdown coverage may be added to any Universal North America Homeowners, Dwelling Fire or LPP policy.

Q: How will this be shown as part of my policy?

A: It will be added as an endorsement subject to a \$500 deductible and maximum per occurrence limit of \$50,000 (\$100,000 aggregate).

Q: How do I add Equipment Breakdown coverage to my policy?

A: Equipment Breakdown can easily be added as an endorsement on an active policy by contacting your agent or calling us at 866-458-4262.

Q: Why are you offering this coverage?

A: We are continually enhancing our products and services. After extensive research, we found this to be an area where we can offer more and meaningful coverage at limited cost. Since most people do not buy Home Warranty products because of the high price, we've developed an alternative for you. We recognize that people have more and more electronic and mechanical items in their homes today and feel it important to offer a cost-effective insurance solution.

Q: Do you have any brochures or sales material?

A: Yes, we have brochures and additional information available on our website (www.myuniversal.com).

Q: How can I learn more about this coverage?

A: Please read the endorsement policy form for full details. This information is intended to provide a summary and additional details can be reviewed in the actual policy form.

Above is a summary for illustrative purposes only. Please refer to policy for coverage details. Insurance products are issued and underwritten by Universal North America Insurance Company and are subject to underwriting review and approval. Products may not be available in all states. © 2018 Universal North America.

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