

# EQUIPMENT BREAKDOWN AND DAMAGE INSURANCE

Product Overview



Every business and institution in the world today relies on equipment to operate effectively. Equipment failure poses a significant risk to a business' production and trading position, ultimately impacting on the bottom line. This exposure translates into the growing need for insurance cover. HSB Engineering Insurance, as part of Munich Re, is a specialist engineering insurance and inspection provider with extensive knowledge and experience in equipment breakdown insurance.

## Why buy equipment breakdown and damage insurance from HSB Engineering Insurance?

Our policy can cover a wide variety of equipment ranging from every day items such as lifts and boilers to highly specialised equipment for printing and manufacturing and is available on an itemised or blanket basis.

Specifically designed with the customer in mind, the focus of this cover is on minimising the disruption caused by equipment breakdown and damage to key items of equipment.

At HSB Engineering Insurance we understand the growing importance placed on the environment. Which is why, in addition to providing specialist breakdown cover, the policy offers an additional 25% for replacement of equipment with a more efficient (greener) alternative.

### **Our equipment breakdown policy includes:**

- 25% escalation for replacement of equipment with a more efficient (greener) alternative
- Hire of (and cover on) replacement equipment following an indemnifiable loss
- All Risks cover on items whilst temporarily removed from premises
- Machinery re-siting within the insured's situation
- Emergency service charges
- Own surrounding property damage caused by pressure plant
- Clean up costs for hazardous substances
- Breakdown from internal defects
- Explosion or Collapse caused by internal steam or fluid pressure
- Accidental Damage by extraneous cause
- Debris removal costs
- Expediting costs incurred to speed up repair or replacement
- Costs incurred in taking exceptional measures to prevent or mitigate loss
- Engineers fees incurred during repair investigations or tests following an incident

## What does the policy cover?

Our policy covers the sudden and unforeseen breakdown of equipment either individually specified or on a blanket basis. This includes any equipment of a similar type purchased by the insured during the course of the policy.

## What will the policy pay for?

In the main, settlement will be on an indemnity basis.

However, settlement will be on a "new for old" basis for:

- a) Any pressure plant, or
- b) Other machinery less than three years old at the time of the loss.

### **Main policy exclusions:**

- Policy excess
- Fire, lightning, explosion (other than pressure plant) and any other perils normally covered under a standard fire policy unless the item is temporarily removed from premises
- Theft or attempted theft unless the item is temporarily removed from premises
- Loss or damage caused by computer virus
- Loss or damage due to acts of terrorism
- Loss or damage caused by Nuclear/Radioactive contamination
- Damage to machinery during installation and dismantling
- Damage to safety or protective devices (such as fuses) due to their functioning
- Damage to tyres caused by cuts, bursts, punctures or the application of brakes, other than where caused by a malicious act
- Wear and tear, although resultant loss is not excluded
- Damage to batteries other than by an extraneous cause
- Loss or damage due to an intentional act or wilful omission by you
- War risks
- Loss or damage to Airborne/Waterborne craft, rig or platform or any property thereon
- Loss of income, loss of use or other indirect losses except as provided for within the Policy



## Where does the cover apply?

The territorial limits of the policy are:

- At the customers' premises within the UK, Channel Islands, Isle of Man or Republic of Ireland
- Within the EU and EFTA for the purposes of maintenance or repair

## Why have a separate insurance policy for equipment breakdown and damage?

Whilst cover for fire and accidental damage may be included within a property policy, equipment breakdown or damage may not be.

Equipment breakdown and damage insurance offers businesses protection against unexpected costs associated with the repair and replacement of vital equipment.

When deciding on equipment breakdown insurance, you may want to consider the following:

### Policy specifically designed to minimise disruption

For example in the event of the breakdown of a generator, the policy will pay for the following:

- The costs incurred in repairing the item
- All Risks cover on the item whilst it is away from the premises being repaired
- Hire charges incurred to hire alternative equipment whilst the item is out of use
- The insured's liability under the hire contract for loss or damage

### Emergency service charges

Following the breakdown of a lift, the fire service may be called to release the passengers and may charge a fee. This would not be covered elsewhere.

### Environmental and efficiency improvements

25% escalation or up to £25,000 to replace equipment with a more efficient (greener) alternative following an indemnified loss.

### Hire of replacement plant

Up to £50,000 any one loss to cover the substitute equipment and continuing hire charges.

## Main policy extensions

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### Environmental and Efficiency Improvements

25% escalation or up to £25,000 to replace equipment with a more efficient (greener) alternative following an indemnified loss.

### Machinery Movement

Up to £25,000 any one loss in respect of re-siting of machinery within the insured's situation.

### Temporary Removal

Where required in the European Union or European Free Trade Area for the purpose of repair, service or overhaul.

### Damage to Own Surrounding Property following pressure explosion

Up to £1,000,000.

### Substitute Equipment

Up to £10,000 any one loss to hire substitute equipment following an indemnified loss whilst repairs are carried out or until the insured property is permanently replaced.

### Hired in Plant

Up to £50,000 any one loss to cover the Substitute Equipment and continuing hire charges.

### Hazardous Substances

Up to £25,000 any one loss in respect of clean up costs.

### Emergency Services

Up to £10,000 any one loss in respect of emergency service charges.

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This is an overview of the cover provided by this product. For full terms and conditions please refer to the policy wording or contact your local HSB Engineering Insurance office for more information.

## For more information contact your local HSB Engineering Insurance office:

London t: 020 7264 7000	Leeds t: 0113 388 4830	Ipswich t: 0845 345 5513
Glasgow t: 0845 345 5514	Birmingham t: 0845 345 5512	Belfast t: 0845 345 5516
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[www.hsbeil.com](http://www.hsbeil.com)

### HSB Engineering Insurance Limited

Registered Office: New London House, 6 London Street, London EC3R 7LP

Registered in England and Wales 02396114. Registered as a branch in Ireland 906020

HSB Engineering Insurance Limited is authorised and regulated by the Financial Services Authority in the United Kingdom

Inspection and Consultancy Services are provided by HSB Engineering Insurance Services Limited

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