

Countryside Insurance

You Depend On Equipment.

Costly equipment and new technologies are the lifeline of manufacturing facilities. Whether it's production machinery environmental controls, electronic equipment or your electrical system – equipment is vital to your operations. Reliance on new technologies and equipment has actually led to a greater probability that a critical system will fail. The resulting unbudgeted losses can be extremely costly and, in many cases, greatly impact your bottom line.

Equipment Breakdown insurance Covers More Than Just Repair Costs

Equipment Breakdown insurance helps protect you from the costs associated with losses of your facility's equipment. It pays for:

- Direct property loss – the cost to repair or replace the damaged equipment
- Costs associated with the time and labor to repair or replace the equipment
- Other expenses incurred to limit the loss or speed the business restoration
- The loss value of materials;
- Business recovery expenses.

In short, Equipment Breakdown insurance covers the physical damage – and the financial damage – that stems from an insured equipment failure. It's bottom-line protection essential for today's technology-intensive manufacturing businesses.

Protection Against Damage Caused By:

- Short circuits/electrical arcing * Power surges
- Mechanical breakdown · Motor burnout
- Boiler Damage · Operator error

Equipment Breakdown Insurance Covers Many Types of Equipment.

Electrical Distribution Systems

Maximum power uptime is important to your bottom line. The loss of power can mean the loss of income and customers. Since the panels, circuit breakers and cables in your power distribution are all interconnected, a short circuit in one part can spread instantly to other parts of the system. The cause can be as simple as a loose connection, dust or high humidity

Heating and Cooling Systems

Many close tolerance manufacturing processes require complex I-P/AC systems to maintain stringent control of temperatures. Today's HVAC systems are more complex and costly to repair. Failures are common and cost tens of thousands of dollars. The expensive boilers and pressure vessels that generate and distribute your heat and hot water are vulnerable to breakdown. If the climate becomes inhospitable due to lack of heating or air conditioning, there is loss of productivity and scrap, which can result in loss of income.

Mechanical Equipment

Your shop is loaded with mechanical equipment, many of which are computer controlled or use sophisticated, sensitive technology such as lasers. These machines can easily have a replacement value exceeding a million dollars. Since this equipment is used heavily, in some cases around the clock, it is prone to breakdown. It may not cost a lot to repair a particular part, but the cost of lost production can add up fast. In addition, manufacturing equipment is commonly electrically driven, which makes it susceptible to surges, sags or harmonic distortion that can destroy electronic circuits.

Electronic Equipment

Today's manufacturing processes depend on electronics. Most modern processes utilize a wide variety of computer-aided design and manufacturing techniques. In addition, most machinery is computer controlled. The systems that run this equipment rely on highly sensitive and fragile technologies. They are vulnerable to damage, which makes you vulnerable to loss.

Typical Losses.

The following are actual losses and the coverage provided by Equipment Breakdown insurance:

An electric welding machine used in the production of wheel rims cracks due to repetitive shock loading. The manufacturer has to send rims out for welding to keep up with production demand during repairs.

Repair cost:	\$ 12,875
Welding service:	\$ <u>115,451</u>
Total Paid Loss:	\$ <u>128,326</u>

An operator enters the wrong code into a CNC lathe and causes damage to the chuck. Repairs are delayed because parts must be imported from Japan.

Total Paid Loss:	\$ 50,000
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The hydraulic cylinder of a press cracks due to misalignment.

Total Paid Loss:	\$ 144,454
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