

## Don't Let Your Clients Spoil Their Business

### THE INSURANCE PROFESSIONAL



With spoilage a primary concern, supermarkets, restaurants and other businesses focusing on food products and services are more likely to include Spoilage coverage in equipment breakdown policies. But what about other clients who have a lot at stake when equipment breaks down and materials spoil?

#### Hospitals to high-tech

Manufacturers work with many types of vulnerable products and raw materials. High-tech operations often can't tolerate temperature changes of even tenths of a degree. Hospitals, clinics and other health care facilities must store blood supplies, medicines and specimens with care.

#### BI&I has it covered

Broad Form Spoilage coverage is now offered on BI&I's new Equipment Breakdown Broad Form policy. This coverage pays for the spoilage of food, manufactured goods or other perishables following a power surge, mechanical breakdown, service interruption or other Accidents. This coverage form does not require the traditional secondary trigger – lack of power, light, heat, steam or refrigeration to respond.

#### New Enhanced Broad Form Spoilage Coverage - Now Available

BI&I can now provide a new enhanced form of Spoilage coverage that covers the spoilage of perishables resulting from the normal operation or failure of safety or protective devices. For additional premium, this innovative coverage can be requested to protect against spoilage losses that can result when fuses or electrical breakers trip, and interrupt power to refrigeration equipment. This coverage helps businesses when their premises are left unattended, such as over a long weekend.

Contact your local BI&I representative for details on how this enhancement may be suitable for your client's needs.

#### Facts to remember

Keep these points in mind when discussing Broad Form Spoilage coverage:

- Spoilage coverage is not just for food. A research lab's compressor seized up and refrigerated test samples became warm and tainted. In another loss, a damaged extruder caused plastic to solidify, ruining the material. Are your clients at risk?
- Spoilage coverage will cover perishable products that are listed as "Specified Property" on the declaration page of the policy.
- Remembering to insure to value will ensure that your clients will be adequately covered in the event of an Accident. ●

## CLAIM SUCCESS STORY

### Shutdown Prevented When BI&I Finds Blown Fuse in CNC Machine



With production contracts at stake, BI&I helped the owner of a machine shop get back into full operation in plenty of time, even though two contractors had claimed that damage to automated machinery would require a long shutdown.

#### Wanted to replace controls

The shop's computer numerical control (CNC) machine was damaged by a utility power surge during a windstorm. A repair firm said the controls needed to be replaced for \$67,480 and the manufacturer bid more than \$100,000.

#### Contracts would be lost

The shop owner worried that he would have to turn away at least two big jobs for the auto industry during the time it would take to install new controls. In addition, he would need to pay overtime to keep up limited production with other machines.

#### BI&I avoids plant shutdown

BI&I brought in another service technician. He discovered the problem was a blown fuse on the CNC control cooling system circuit and a damaged interface circuit board. The total repairs came to \$13,733 and the work was finished in time to complete both production jobs without any overtime. ●

## DON'T OVERLOOK EXPOSURES

### Tenants Need Equipment Breakdown Insurance

Why would a law firm need equipment breakdown insurance? After all, its attorneys and staff handle legal motions, not machinery, and most lease instead of own their office space. Like many business tenants, the partners in a busy law firm were not worried about equipment failure. Until a breakdown knocked out their power for a week and they lost \$175,000 in income and extra expense.

#### Tenants depend on others

Tenants need equipment breakdown coverage, not only to protect them from damage to their own equipment, but losses that may result from accidents to equipment that serves their leased offices and buildings. That was the case for the law firm when electrical arcing damaged the electrical distribution system. When power was restored, a second breakdown

forced attorneys and staff to relocate until repairs were completed. The business income loss was \$114,644; extra expenses totaled \$60,356.

#### Special coverage for equipment

The loss of electricity, heat or air conditioning from a breakdown can drive customers away and send employees home. Power surges can damage equipment such as computers, electronic cash registers and communications systems. A landlord usually will not cover these expenses and property insurance may exclude them. Tenants need equipment breakdown coverage to pay for equipment losses like these:

- A paint store had to replace printers and point-of-sale equipment because of damage due to a power surge. **Total paid loss: \$19,370.**

- An X-ray machine was destroyed in a doctor's office when a utility power spike shorted out the power supply unit. **Total paid loss: \$41,604.**
- A loose connection in a building's electrical system resulted in damage to a tenant company's computers, servers and printers. **Total paid loss: \$30,279.** ●



❖ Note that our address has changed

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