

Tech-Enhanced Equipment Breakdown Loss Scenarios

Reinvented coverage for a new reality

Technology drives the systems, equipment and operations of all businesses. Trends such as miniaturization, portability and cloud computing are creating different, costly and complicated new risks for business owners.

Tech-Enhanced Equipment Breakdown is equipment breakdown and technology coverage that protects against losses caused by these increasingly common technology related failures. It's reinvented coverage for a new reality.

With microelectronics, damage can be invisible

Today's systems, equipment and technologies contain microelectronics, miniaturized circuitry with microscopic parts, prone to damage that only costly forensic analysis can detect. New microelectronics coverage covers failures that require microelectronics to be replaced whether or not such equipment shows signs of physical damage.

Loss Scenario

A computer server at a law firm would not boot up after a power outage at the facility. The repair technician could not find any physical damage to the server but after replacing the controller board the server began to function properly. There was also corrupted data that needed to be restored by a data recovery firm

Property Damage:	\$2,308
Data Restoration:	\$1,975
Business Income:	\$13,695
Total Paid Loss:	\$17,978

Cloud Computing is not fail safe

Cloud computing is a multi-billion dollar industry, and the number of small businesses using cloud computing is increasing daily. A business can be completely shut down during a cloud service interruption and critical data can be lost if a cloud data center experiences a breakdown. Tech-Enhanced Equipment Breakdown includes coverage to provide relief for these risks when they are caused by an equipment breakdown accident.

Loss Scenario

The scheduling and billing department for a dentist office was unable to conduct business for one week due to a service interruption with their accounting service provider. The cloud based software and backup files were not accessible for three days while the service provider made repairs to their servers which suffered a hard drive head crash.

Business Income:	\$9,675
Extra Expense:	\$1,750
Total Paid Loss:	\$11,425

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More equipment is portable

Portable equipment is often essential to business operations and income. Off premises protection for portable equipment and technology now includes business interruption, extra expense and data restoration, along with property damage.

Loss Scenario

A company’s media department was creating a video at an off-site location. The video production camera in use stopped operating. The camera was found to have an electrical short in an electronic control board. To meet deadlines, a third party videographer was hired.

Property Damage:	\$1,200
Extra Expense:	\$6,500
Total Paid Loss:	\$7,700

Public relations coverage helps protect business reputations

When equipment, systems or technology fails, business reputations are at risk if it results in a business interruption. Tech-Enhanced Equipment Breakdown pays for costs for a professional services firm to assist companies in creating and delivering communication to their clients, the public or the media.

Loss Scenario

A small restaurant sustained a power surge which caused electrical damage to its walk-in refrigerator. The restaurant was closed and lost business for seven days. When service was restored, the insured advertised its reopening through a local radio station. The electrical damage to the refrigeration system was a covered accident. Business interruption losses were paid, enabling the advertising loss to be settled under public relations coverage.

Property Damage:	\$6,000
Business Income:	\$14,000
Public Relations:	\$5,000
Total Paid Loss:	\$25,000

Highlights of coverage

Coverage	Tech-Enhanced Equipment Breakdown	Traditional Equipment Breakdown
Property Damage	✓	✓
Business Interruption	✓	✓
Extra Expense	✓	✓
Expediting	✓	✓
Perishable Goods	✓	✓
Hazardous Substance	✓	✓
Ordinance or Law	✓	✓
Microelectronics Coverage	A new covered peril for electronic circuitry impairment in addition to accident	"All require evidence of equipment breakdown"
Cloud Computing Service Interruption	Includes Cloud Service Providers as a "Covered Service"	Standard Service Interruption covered, Cloud providers not covered
Service Interruption Data Restoration	Includes coverage for restoration of lost data resulting from a covered service interruption	Standard Service Interruption covered, Data not covered
Off Premises Coverage	PD, BI, EE, and Data Restoration included	Optional, PD only
Public Relations Coverage	Included with sublimit	✗