

# Vero Equipment Breakdown



What's at Risk? (Retail)



## Retail Premises

### Equipment examples

- ▼ Air conditioning and heating
- ▼ Audio and visual equipment
- ▼ Computers and business equipment
- ▼ Electrical panels
- ▼ Fire detection systems
- ▼ POS/Cash registers
- ▼ Security systems
- ▼ Refrigerators

# What's at Risk?

## Why You Need Equipment Breakdown Insurance

### Equipment Breakdown Insurance – More Than Just Repairs

Equipment Breakdown insurance can protect you against the costs of unforeseen breakdowns, as well as income protection for today's equipment-intensive retail store. It covers you for:

- ▼ **Physical Damage:** the cost to repair or replace the damaged equipment, including labour costs.
- ▼ **Deterioration of Specified Property under refrigeration** will provide cover for spoilage of nominated refrigerated goods in the event of a breakdown to equipment or accidental failure of the power supply.
- ▼ **Loss of Gross Profit, Payroll and Increased Costs of working** in the event that the business is unable to trade due to an equipment failure.
- ▼ **Service interruption:** extends business interruption coverages due to loss of electricity and other services caused by a breakdown of the utility or landlord's equipment.
- ▼ **Contribution towards Green Upgrades:** when a piece of equipment is upgraded following a breakdown, an additional contribution is provided towards the upgrade cost if such upgrade is for the benefit of the environment, safety, or energy efficiency.

Our claims and engineering specialists who work only on equipment breakdown losses can expedite repairs so you can return to business with minimal disruption or loss of income.

### Many Types of Equipment

#### Electrical Distribution Systems

Power interruption can shut down a retailer and cause major disruption of the business. Electrical panels, circuit breakers and cables are interconnected – a short circuit in one part of the system can affect the whole operation.

This can be as simple as a loose connection, dust, vermin, or network power fluctuations and can cause significant costs in time and money.

#### Air Conditioning and Refrigeration

Air conditioning systems contain many parts that can break down and result in costly repairs. A refrigeration system can be worth thousands of dollars and the refrigerant costs can be many thousands in addition to this, even in smaller systems.

#### Electronic Business Critical Systems

Electronic components are present in almost all equipment in a retail business. This includes phones, security systems, refrigeration, fire detection, point of sale equipment and accounting systems (which are generally automated and linked in with point of sale systems). Sensitive electronics are fragile and vulnerable to power surges. Circuitry is expensive to repair or replace, especially if incompatibility arises when a component needs replacing.

### Loss Examples

The following cases are actual losses incurred in a retail store like yours.



Three out of nine interlinked compressors in an air conditioning system for a retail store broke down at the same time because of power surge, causing the system to shut down.

The oil required for the new compressors were not available in Australia and had to be ordered from overseas with four-week delivery time. In the interim portable air conditioning units and pedestal fans were rented to be able to keep the store open.

**Total Cost: \$51,109**



A laminating machine for a framing retailer was damaged because of user error. Both the top and bottom rollers, (including bottom plates and bearings) had to be replaced. Parts were obtained from overseas for the repair and the client suffered a gross profit loss.

**Total Cost, including business interruption: \$39,328**



A pharmacy vaccine refrigerator evaporator coil iced up due to a faulty thermostat controller. In addition, the high temperature alarm buzzer failed resulting in spoilt vaccine.

The repair of the fridge was completed under warranty.

**Total Cost to replace the vaccine: \$17,810**



At a retail store a number of point of sale systems (POS) were damaged due to a power surge. To prevent a lengthy downtime a new point of sale system was purchased.

**Total Cost: \$24,481**



A landlord's circuit breaker tripped cutting power to the insureds refrigeration chambers. A significant amount of stock was lost as a result of the power interruption. The insured also incurred hire costs of the generator and the loss of profit.

**Total Cost: \$198,000**