



FREQUENTLY ASKED QUESTIONS HOMEOWNERS EQUIPMENT BREAKDOWN COVERAGE

Q: What does the equipment breakdown endorsement cover?

A: The breakdown of mechanical, electrical and pressure systems, which are excluded perils in the underlying form, are covered.

Q: What are some examples of covered property?

A: Covered property includes anything in your home that can fail mechanically or electrically, such as air conditioning systems, electrical generators, electrical panels, furnaces, heat pumps, fans, washers, dryers, sump pumps, deep well pumps, computers, stereo equipment, televisions, swimming pool equipment and much more.

Q: What are some examples of real losses?

A: A domestic water deep well pump short-circuited due to power fluctuations and required replacement.

Amount of loss: \$1,260

As a result of low refrigerant, a leak developed in a condensing unit. The compressor locked up and required replacement.

Amount of loss: \$3,775

An air conditioning system suffered ice buildup. This in turn caused water to flow into the control cabinet, short-circuiting the solid state controls.

Amount of loss: \$2,800

Q: What is the benefit of adding equipment breakdown coverage to my homeowners policy?

A: Specific exclusions for mechanical and pressure systems breakdown exist in the basic homeowners policy. Typically, electrical breakdown coverage is limited in the basic form. By adding the equipment breakdown endorsement, any loss caused by, resulting from or consisting of an electrical, mechanical or pressure systems breakdown will be covered.

Q: How does this coverage differ from a home warranty?

A: A home warranty is expensive. The cost can range from \$350-\$1,200. A warranty may also restrict certain equipment or include it at an additional cost. But when you add the equipment breakdown endorsement to your EMC homeowners policy, coverage applies to all real and personal property in your home.

Q: What does this coverage cost?

A: The cost is \$20 per policy. If you select the EMC Choice® Homeowners Coverage Extension, coverage is included.

Q: How is this endorsement incorporated as part of my homeowners policy?

A: It is added as an endorsement with a \$500 per occurrence deductible. A maximum of \$50,000 per occurrence limit will apply. If you add the EMC Choice® Homeowners Coverage Extension to your policy, the coverage is included.

Q: How do I submit an equipment breakdown claim?

A: You will submit a claim as you always have; nothing changes.

Q: Will the cost for equipment breakdown coverage increase if I submit a claim?

A: No, unless otherwise specified.

Q: What happens if multiple pieces of property (real and personal) fail at the same time?

A: If the cause of loss is the same for all pieces of property, these items can be submitted together as one loss.

Q: Is there coverage for personal property away from the insured's described premises (eg. a laptop at college or GPS)?

A: No, the equipment breakdown endorsement specifically states that coverage only applies to personal property at the insured's residence.

Q: Can damaged equipment be replaced with more efficient equipment?

A: Yes, the equipment breakdown endorsement will pay up to 110% for replacement equipment that is safer, more efficient and better for the environment.

Q: What is the difference between wear and tear and mechanical breakdown? Is wear and tear covered?

A: Wear and tear usually occurs over time. The performance of the equipment slowly declines and its capacity diminishes; however, the equipment is still functioning. A mechanical breakdown usually occurs suddenly. Typically, the equipment breaks or mechanically locks up. Therefore, because coverage for wear and tear is excluded in the underlying form and no equipment breakdown has occurred, there would be no coverage provided by the equipment breakdown endorsement for wear and tear.

Q: If a piece of equipment fails due to age, is it covered?

A: If age means it just wore out, then there is no coverage. However, if a covered equipment breakdown as defined in the endorsement occurs, there would be coverage.