



South Central Mutual Insurance Company Homeowners Equipment Breakdown Coverage

South Central Mutual Insurance Company is pleased to offer an affordable alternative to costly product and home warranty plans—Equipment Breakdown Coverage through your Homeowners Insurance Policy. Whether you are a renter or a high-value homeowner, we have your equipment breakdown exposures covered.

The modern home contains many expensive systems and appliances subject to equipment breakdown. These include:

- Clothes Washers and Dryers
- Computer Equipment
- Dishwashers
- Freezer Units
- Garbage Disposals
- Heat Pumps
- High Efficiency Home Heating and Central A/C Systems
- High Energy Electrical Service Panels
- Home Security Systems
- Kitchen Refrigerators
- Lighting and Home Environment Monitoring
- Microwaves
- Ovens
- Sump Pumps
- Surround Sound Systems
- Swimming Pool Equipment
- Televisions (Plasma, LCD, etc)
- Water Heaters
- Well Water Pumps

Even items that you typically think of as disposable; such as, garage door openers, exhaust/ceiling fans, DVD players and much more, could benefit from this coverage as a result of an electrical power surge.

“If it uses electric power, it is most likely subject to Equipment Breakdown.”

Often this equipment requires sophisticated diagnostic tools and skilled technicians to oversee a potential repair. Equipment breakdown coverage protects you against unexpected repair or replacement costs due to a electrical, mechanical, or pressure systems breakdown. In addition to coverage, loss prevention information and loss adjustment services are customized at a fraction of the cost of limiting home warranty products. Best of all, this additional coverage follows the terms and conditions of your insurance policy.

Did You Know?

Thirty-eight percent of all equipment breakdown losses are mechanical in nature. Until now, along with electrical breakdown, these losses were typically excluded under your homeowners policy.

Equipment Breakdown	% of Losses
Electrical Breakdown	46%
Mechanical Breakdown	38%
Pressure Systems Breakdown	16%

Typical Losses

A domestic water 230-volt deep well pump short-circuited to ground. Upon being pulled from the well to determine its condition, it was concluded that cost to repair the motor was greater than the cost of replacement.

Cost of Replacement: \$1,850
Loss of Use: \$186

A power surge caused by the electric utility resulted in arcing damage to the electronic components of a panel television and electric motor of an air conditioning system. Replacement and repairs required service by separate technicians.

Cost of Repairs: \$3,750

A personal computer (PC) used to control multiple systems (HVAC, lighting and irrigation) within the home sustained electrical damage from a power surge. Replacement of the computer and the unique programming was required.

Property Damage: \$2,975

An air conditioning system suffered an ice buildup in the evaporator due to a cracked compression fitting. The ice plugged the condensate drain causing water to flow into the control cabinet, short-circuiting the solid state controls for the air conditioning system and furnace.

Cost to Repair: \$2,800





Equipment Breakdown Coverage for Homeowners

As a homeowner, you depend on many types of mechanical and electrical equipment to provide convenience, comfort and safety within your home. Yet, these modern-day essentials such as air conditioners, computers and household heating systems are all subject to potential mechanical and electrical breakdown. *If your equipment fails, what will you do?*

Don't lose sleep over the unexpected

Like many homeowners, you are probably aware that most homeowners policies typically exclude these types of losses, putting your important investments at risk. Individual warranty plans are available, but are unreasonably costly, confusing and burdensome to manage. You need a way to protect both your home and your budget.

Why worry about the high cost of repair?

Fortunately, there is an affordable alternative from your insurer—homeowners equipment breakdown coverage. This unique product offering extends coverage to all of your important home systems and personal property due to loss by mechanical or electrical breakdown. The coverage is convenient and seamless—there are no separate warranty programs or fees to manage. And, best of all, you'll benefit from peace of mind in knowing you're covered for the systems you depend on most.

For this family, equipment breakdown coverage made a difference

A family of four awakened early to get ready for work and school only to find they had no water! Their home's water was supplied by an on-site deep-well pump. The service company suspected the 230-volt pump motor short-circuited to ground pulled it from the well to assess its condition. Upon inspection, it was determined the cost to repair the pump was greater than the cost to replace it. This hardworking family was grateful for homeowners equipment breakdown coverage. After deductible, the policy paid the \$1,260 cost to replace the pump.

Equipment breakdown coverage provides peace of mind for a new family

A couple welcomed their newborn daughter into the world and looked forward to bringing her home. While they had prepared their home for their newest addition, they weren't prepared for the unexpected failure of the air conditioning system during a heat wave! A service contractor informed the couple the compressor experienced an internal mechanical failure and needed to be replaced. Fortunately, the house was protected by homeowners equipment breakdown coverage, and the policy paid \$2,800 after deductible—an unexpected expense the new family was relieved it didn't have to pay out of pocket.

A Houseful of Equipment Exposures

Take a walk around your home. What do you see? Today's home contains many expensive systems that are subject to mechanical failure or electrical breakdown, yet these types of losses aren't typically covered by the traditional homeowners insurance policy.

If it uses electricity, it's most likely subject to equipment breakdown.

