

## Quantum Home 2.0<sup>®</sup>: Equipment Breakdown Coverage

This unique coverage available for homeowners and renters provides an additional layer of protection for a broad range of household appliances and equipment against unexpected mechanical or electrical failure.



### Coverage examples include:

- computer
- television
- boiler
- water heater
- well water pump
- sump pump
- treadmill
- hot tub
- oven
- dishwasher
- refrigerator
- circuit breaker panel
- surround sound system
- lawn tractor
- air conditioning unit
- dryer

## Extra protection for your clients' belongings at a great value

Many homes today are equipped with advanced technology and other equipment not typically covered by a standard home insurance policy; yet a loss to one of these items can represent a significant expense. Equipment Breakdown Coverage can pay to repair or replace equipment and appliances and systems damaged from unexpected mechanical or electrical failure.

### Adding Equipment Breakdown Coverage could save your clients thousands of dollars if:

- the heating system runs constantly and damages the compressor
- an air conditioning system fails after the motor seizes
- a surge damages your client's television
- a lawn tractor hits a rock and the transmission is damaged
- corrosion or rust leads to breakdown
- the water heater leaks due to a cracked weld

- the refrigerator fails from a control board component
- the snow blower breaks while being used by another person, away from your client's home

### Just \$2 per month

Equipment Breakdown Coverage can be added to existing homeowners policies for just \$2 per month. It offers coverage up to \$50,000 and a deductible of just \$500.

## Claim service that delivers

From the very basic to the most complex claims, Travelers provides fast, fair resolution. We have over 11,000 in-house claim professionals, including dedicated equipment claim specialists in our Boiler and Machinery Group, and we focus on making the claim process easy for your clients with:

- 24/7 claim reporting
- equipment breakdown know-how
- in-house adjusters
- in-house subrogation expertise

See back for FAQs and additional information about Travelers Equipment Breakdown Coverage.

# Frequently Asked Questions about Equipment Breakdown Coverage

## How much does this coverage cost?

A very affordable additional \$2 per month.

## What is the coverage limit?

The coverage limit is \$50,000 and the deductible is just \$500.

## What are the eligibility requirements?

To be eligible, Personal Property Replacement Cost Loss Settlement Coverage must be present.

## Will claims make my premiums go up?

Claims made under Equipment Breakdown have no impact on premiums.

## Is coverage limited based on the age of the appliance or equipment?

No. As long as the appliance or equipment experiences a breakdown, it will be covered regardless of age.

## What is the difference between wear-and-tear and equipment breakdown?

Wear-and-tear usually occurs over time. An equipment breakdown usually occurs suddenly. In instances where wear-and-tear occurs, performance of the equipment slowly declines and its capacity diminishes; however, the equipment continues to operate but does not perform as expected. An example of wear-and-tear that is not covered is when the refrigerator is still running but not getting cold.

## If a piece of equipment fails due to wear-and-tear, is it covered?

Travelers Equipment Breakdown Coverage excludes wear-and-tear unless it results in a breakdown. For example, if the above refrigerator continues to run and its motor burns out, then it would be covered.

## How does Equipment Breakdown Coverage differ from a home warranty?

Equipment Breakdown Coverage is less expensive with fewer limitations.

|                      | Equipment Breakdown Coverage  | Typical Home Warranty   |
|----------------------|---|---|
| Cost                 | \$2 per month   | \$25 or more per month  |
| Limits               | No yearly aggregate; per occurrence limits up to \$50,000   | May contain yearly aggregate limit such as \$1,500 in coverage per year (for each item/appliance) |
| Deductible           | \$500   | From \$60 to \$100 per item   |
| Contractors          | Homeowner chooses contractor for repairs  | May require homeowner to use the companies' contractors   |
| Coverage Approach    | Purchased once for all covered equipment – no need to name each item/appliance                                      | Name each item/appliance to be covered  |
| Additional Coverages | Loss of use, pollution, expediting expense, green improvements and environmental safety and efficiency improvements | Not generally offered   |

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To learn more about Equipment Breakdown Coverage, contact your Travelers Sales Executive.

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