

THE INSURANCE ADVISOR

For America's Churches and Related Ministries from Brotherhood Mutual and Its Agents

PROTECTING YOUR EQUIPMENT INVESTMENT

ISSUE 5—DO YOU HAVE THE COVERAGE YOU NEED?

Your property insurance covers many standard perils, but it isn't designed to pay for equipment failure



As a conscientious steward of your church or related ministry's financial resources, you've been careful to buy insurance to protect your ministry from property and liability losses. But did you know that you may still be missing an important coverage?

Typical property policies—while covering perils like fire, wind, hail, and vandalism—specifically exclude most equipment breakdown accidents, including electrical arcing, mechanical breakdown, and explosions from steam pressure and centrifugal force. These kinds of losses can result in costly equipment repairs, interruption of operations, and spoilage losses. To protect your church or related ministry's equipment investment, you need Equipment Breakdown Coverage.

WHAT IS EQUIPMENT BREAKDOWN COVERAGE?

Equipment Breakdown Coverage pays the cost of repair or replacement of equipment such as organ and sound systems, office equipment, kitchen equipment, electrical systems, air conditioning units, and boiler and pressure vessels. If your ministry operates a day care or school, Equipment Breakdown Coverage provides insurance against the loss of tuition or the extra expense needed to continue normal operations.

From your heating and air conditioning to your computers, telephones, and sound systems, you rely on equipment every day to accomplish the work of your ministry. Think about the investment you've made. Can you afford the costs of repair or replacement?

The answers to the following questions can help you evaluate your need for Equipment Breakdown coverage:

WHAT TYPES OF BREAKDOWNS ARE COVERED?

Equipment Breakdown Coverage provides protection for the unique hazards equipment is subject to,

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From your heating and air conditioning, to your computers, telephones and sound systems, you rely on equipment every day to accomplish the work of your ministry.

IF EQUIPMENT BREAKS, IT ISN'T EXPENSIVE TO FIX. WHY DO I NEED ADDITIONAL INSURANCE?

Although the part that breaks may not be expensive to repair, machinery and equipment are generally part of an integrated system. When it breaks down, a small flaw can quickly lead to another problem, then another, until the whole system collapses.

ISN'T EQUIPMENT BREAKDOWN COVERAGE JUST FOR BOILERS?

Equipment Breakdown covers many types of equipment besides boilers. It also protects electrical

systems, air conditioning and refrigeration, mechanical equipment, and modern office equipment, in addition to boilers.

DOESN'T MY MAINTENANCE CONTRACT PAY FOR REPAIR TO EQUIPMENT?

Maintenance contracts cover routine care (cleaning, adjustment), but they don't pay for damage due to operator error, the cause of over 35 percent of equipment breakdowns. Maintenance contracts don't pay for business income losses or spoilage resulting from the breakdown. In addition, if you have equipment that requires state-mandated inspection, your Equipment Breakdown Coverage provides that service.

RECENT PAID LOSSES

Brotherhood Mutual's Equipment Breakdown Coverage paid for these recent losses:

- An air conditioning unit's suction line cracked, resulting in lost refrigerant.
Total Paid Loss: \$1,376
- Flooding caused a sump pump malfunction, resulting in a shortout in the wires to a chiller unit.
Total Paid Loss: \$10,947

- Heavy accumulation of sediment caused overheating in a boiler.
Total Paid Loss: \$12,400
- An electrical surge caused a shortout in the compressors on an air conditioning unit.
Total Paid Loss: \$2,408
- A voltage surge damaged a church sound system.
Total Paid Loss: \$7,854

All property and liability coverages are subject to conditions, coverage limits, limitations, and exclusions. For precise details of coverage, please refer to actual policy forms.

Louis Blosch Insurance Agency

We insure over 300 churches in North East Oklahoma. We offer this information to help you better administer your church business. The less time you spend on problems which arise from a claim is more time you

can spend spreading the good news of Jesus Christ.

Our team professionals are Louis Blosch, Jerry Hendon, Chuck Lewis, Guy Landes and Clayton Haggard.



Brotherhood Mutual
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Insuring America's churches and related ministries

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