



# Equipment Breakdown Coverage

For your Farm & Ranch

## Keep your operation running smoothly

Today, equipment keeps all kinds of farms going... and income flowing. When equipment breaks down, it can bring farm operations and income to a halt.

**Most equipment now contains highly sensitive technology** that can be badly damaged by something as common, simple and sudden as a power surge.

**Most property coverage excludes equipment breakdown** losses, leaving farm owners with a big exposure. Unbudgeted losses from a breakdown can be extremely costly, and in many cases, greatly impact the bottom line.

**Equipment Breakdown insurance from Farmers Alliance covers more than just the cost of repair.** It protects insureds from the cost associated with losses to their farm's equipment. It pays for:

- ▼ Direct property loss — the cost to repair or replace the damaged equipment
- ▼ Loss of business income and extra expense, if Farm Income Coverage Endorsement is added to the policy
- ▼ Spoilage as a result of breakdown to covered equipment
- ▼ Other expenses incurred to limit the loss or speed restoration of operations
- ▼ Additional costs to replace with equipment that is better for the environment or more energy efficient

*NOTE: A deductible applies to this coverage; it varies depending on the equipment covered in the loss. See your endorsement for details, or ask your Farmers Alliance agent.*

**Include Equipment Breakdown coverage for pennies a day and protect yourself from the high costs of mechanical and electrical breakdown of your critical FARM equipment.**

*See other side of this flyer for examples of typical Equipment Breakdown losses.*

## Why do you need Farmowners Equipment Breakdown coverage?

All farms have equipment breakdown exposures. When surveying your farm, look around: grain augers, grain dryers, emergency generators, power panels, pumps, motors and ventilating fans and systems or an air conditioning system.

Equipment Breakdown coverage provides protection from damage by:

- ▼ Short circuits/electrical arcing
- ▼ Utility power surges
- ▼ Mechanical breakdown
- ▼ Motor burnout
- ▼ Centrifugal force



## Exposures | Types of covered equipment:

- |   |  |                                    |
|---|--|------------------------------------|
| ▼ Electrical Distribution Systems           | ▼ Boilers and Pressure Vessels   | ▼ Computers & Electronic Equipment |
| ▼ Heating and Cooling Systems               | ▼ Irrigation Equipment - including center pivots, wheels, drive mechanisms, motors and gears | ▼ Mechanical Equipment             |
| ▼ Refrigeration and Controlled Environments |  | ▼ Vehicle Mounted GPS Equipment    |

*NOTE: Coverage does NOT apply to certain vehicles, such as: cars, trucks, trailers, tractors, harvesters or other self-propelled vehicles*

# Equipment Breakdown Coverage

## Typical Losses on the Farm



### Air Conditioning and Refrigeration

The connecting rod in the refrigeration unit's compressor was broken due to stress impact.

**Property Damage .....\$3,884**

An air conditioning unit sustained an ice build-up in the evaporator due to a cracked compression fitting. The ice plugged the condensation drain causing water to leak into the control cabinet, short-circuiting the controls for the air conditioning unit.

**Property Damage .....\$2,800**



### Computers and Related Business Equipment

The CPU on a water pivot line was damaged by a surge and needed to be replaced.

**Property Damage .....\$2,160**



The GPS unit on the tractor overheated and shorted. Due to lack of parts availability, the GPS system required replacement.

**Property Damage ..... \$8,725**

### Electrical

A severe voltage spike damaged the windings in a 50hp feed water pump motor. The motor could not be repaired due to the extensive electrical damage and was replaced.

**Property Damage .....\$5,575**

A Waukesha model 1905 GRU generator ceased to function. The control failure allowed the motor to over amp, which blew the piston through the motor block. Repair was needed and the motor was replaced.

**Property Damage ..... \$25,000**

### Mechanical

A silo unloader crashed. The pin roll in the winch sheared, allowing the silo unloader to become loose.

**Property Damage .....\$10,500**

A compressor serving a dairy milk tank mechanically bound due to lack of lubrication. As a result, milk was lost.

**Property Damage .....\$4,425**

**Spoilage .....\$3,650**

A wash system diverter valve, located in the gear box of the actuator motor, sustained a mechanical failure. As a result, bacteria destroyed the milk.

**Property Damage .....\$915**

**Spoilage/Consequential .....\$4,972**

### Pumps and Pressure Vessels

A lime dust coated the vacuum pump motor supporting the insured milking parlor. As a result, the motor overheated and caused insulation breakdown and winding damage. Since a replacement motor was not available, both the pump and motor were repaired.

**Property Damage .....\$6,467**

The 300hp irrigation pump seized due to low water conditions. Repair parts were obtained and shipped overnight.

**Property Damage .....\$15,025**

**Expediting Expense.....\$1,200**

*These examples are from actual customers. Remember, each claim must be evaluated based on your specific policy.*

**For additional information, contact your Farmers Alliance Agent**

This summary is for marketing purposes only. Refer to the policy for coverages provided and pricing. If there is any conflict between the policy and this document, THE PROVISIONS OF THE POLICY SHALL PREVAIL.  
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