



Equipment Breakdown

The Industry Standard for Equipment Breakdown Coverage

We live and work in a world where technological change is constantly creating new forms of equipment and applications for them. Protect the equipment and data you need to keep your business operating with CNA Canada.

CNA's oneworld+SM policy provides expanded coverage for Equipment Breakdown. This innovative offering responds to new exposures and risks from rapidly progressing technologies. While technological transformation brings many benefits, it changes the risk model dramatically:

Micro-circuitry is now used in almost all types of equipment. It is so sensitive that damage, invisible to the human eye, can cause equipment to simply stop working.

Portable business equipment, such as laptops and devices, are now carried in pockets or briefcases across the country. As equipment with fragile components travels, breakdown risks increase.

Cloud computing is not fail-safe. Business data stored in the cloud is at risk of being lost when there is a cloud service interruption due to an equipment breakdown.

Bad news travels fast. In today's social sharing world, a business interruption caused by an accident can lead to bad publicity and compromise a company's reputation.

Your clients can rest easier knowing their oneworld+SM policy helps cover the cost of potential equipment replacement, business interruption, and managing reputational risks.

Even with expert installation and regular maintenance, equipment does break down, data can be lost and mechanical or electrical failure can essentially shut down your business. This can amount to costly repairs and lost productivity.

Minimize the impact of a shut down. Equipment Breakdown coverage delivers protection against the failure of machinery and equipment that runs your business.

Coverages

Microelectronics coverage

Equipment breakdown and business interruption coverage expands beyond evidence of physical damage to circuit boards, computer chips, and other micro-circuitry.

Have you ever owned an electronic device, computer or printer that mysteriously stopped working? The same thing happens to business equipment and machinery with electronic controls, including:

- Heating and cooling equipment such as boilers, air conditioning, hot water and refrigeration systems.
- Computers, servers, scientific research, diagnostic, and medical equipment.
- Communications systems such as telephones, networks, security systems, inventory and point of sale systems, CNC and production equipment.

Microelectronics are covered when physical damage is not detectable.

Off-premises transportable equipment coverage

The miniaturization of technology has spawned another important trend: equipment is more portable, and more frequently used off-premises where it is exposed to greater risk of damage.

All kinds of mobile equipment are at risk, from newer technology such as laptops and devices, to more conventional objects such as, compressors and generators. Off-premises coverage is provided on transportable equipment for property damage, business income, extra expense and data restoration, anywhere in Canada.

Cloud service interruption

Cloud service interruption Cloud computing services have been added to service interruption coverage. This pays for lost business income and extra expense when an insured's cloud service provider experiences an outage due to equipment breakdown.

Data restoration to include data lost in the cloud due to an accident. Analysis of equipment breakdown claims has shown growing data restoration losses, both in severity and frequency. We already cover data lost due to an accident. However, a business's data stored in the cloud is also increasingly at risk.

In response, we have added data restoration coverage for data lost when it is stored and managed by a cloud computing service provider.

Public relations coverage

Expanded coverage includes services from reputation management professionals, such as a PR firm, when an equipment breakdown poses a risk to a business's good standing. It pays for professional public relations services to help manage a client's reputation that is at risk when a breakdown causes a business income loss.

Coverage Comparison

oneworld+SM policy's expanded coverage. See the difference.

Coverage	oneworld previous	oneworld+ SM now
Breakdown and Electronic Circuitry Impairment (ECI)	Breakdown only	Breakdown & ECI now included
Ammonia Contamination	\$100,000	\$250,000
Automatic Coverage	\$1,000,000	\$1,000,000
Brands and Labels	n/a	\$100,000
By-laws, Demolition and Increased Cost of Construction	\$1,000,000	\$1,000,000
Denial of Access	Two weeks	30 days
Data Restoration	\$25,000	\$50,000
Errors and Omissions	\$100,000	\$250,000
Expediting Expenses	\$100,000	\$250,000
Environmental and Efficiency Improvements	n/a	150%
Green Coverage	n/a	\$25,000
Hazardous Substances	\$100,000	\$250,000
Off Premises Transportable Object	n/a	\$10,000
Professional fees	\$100,000	\$250,000
Public relations	n/a	\$5,000
Service Interruption	1,000 metres	1,000 metres
Water Damage	\$100,000	\$250,000

Coverage in actiononeworld+SM policy Claim Scenarios.**Imagine if...****MRI machine**

An MRI machine suddenly started to lose its ability to produce usable images. The hospital referred its patients to a nearby independent imaging facility resulting in a loss of income. After diagnosing the problem with the manufacturer, a technician recommended the replacement of a circuit board. Upon removal, there was no evidence of detectable physical damage.

If you had...**Microelectronics Coverage for invisible risks****You could rest easier knowing...**

Your policy provides coverage for replacing the circuit board.

Video equipment

A company's media department was creating a video at an off-site location. The video production camera in use stopped operating. The camera was found to have an electrical short in an electronic control board. To meet deadlines, a third party videographer was hired.

Off Premises Transportable Equipment Coverage

Your policy provides coverage for third party vendor and damage to the camera.

Operations centre

A financial institution's operations centre suffered business interruption losses when it's contracted data centre's UPS (uninterrupted power supply) suffered an arcing event.

Cloud Service Interruption

Your policy coverage helps your business recover costs due to loss of business.

Accounting firm

An accounting firm lost data stored in the cloud due to a mechanical breakdown to a hard drive at the cloud computing service provider.

Data Restoration Coverage

You policy covers the cost of restoring data.

University

A dormitory building at a university had an electrical fault in its main electrical switchgear. The building was closed for three months while repairs were completed, leading to business interruption losses. The insured ran a media campaign to announce the reopening of the building.

Public Relations Coverage

Your policy helps you pay the cost for services from reputation management professionals when an equipment breakdown poses a risk to the university's good standing.

For more information, please contact your local CNA underwriter or visit our website at cnacanada.ca.