



▶ *Hanover Marine*

# Six Reasons Why You Need Medical Diagnostic Equipment Breakdown Insurance

## 1. Equipment You Depend On

Sophisticated equipment is subject to sudden and accidental breakdown. Boilers, electrical supply and distribution systems, air conditioning, refrigeration, phones, and specialized computer and medical equipment are vital to your operation. This equipment often relies on sensitive technologies that are expensive to repair. In addition, business interruption expenses can mount as patients seek care elsewhere.

## 2. Coverage For More Than Just Repairs

Equipment breakdown insurance helps protect you from the costs associated with insured losses to your building's equipment. It pays for:

- Direct property loss—the cost to repair or replace the damaged equipment
- Costs associated with the time and labor to repair or replace the equipment
- Other expenses incurred to limit the loss or speed restoration of your operations
- The loss value of spoiled products or materials
- Business recovery expenses

Equipment breakdown insurance covers the physical damage—and the financial damage—stemming from equipment breakdown. It's bottom-line protection essential for today's technology-intensive medical clinics.

## 3. Protection Against Damage Caused By:

- Short circuit/electrical arcing
- Power surges
- Mechanical breakdown
- Motor burnout
- Boiler breakdown

## 4. Coverage For Many Types of Equipment

### Heat and Hot

Boilers breakdowns, due to pump or low-water cut-off mechanism failure, are common occurrences, often resulting in heavy losses.

### Air Conditioning

Air conditioning systems contain a variety of parts that can break down and result in costly repairs. For example, a compressor can be worth \$20,000 or more. Replacing the system's refrigerant, mandated by the ban on CFCs, can also cost thousands of dollars. What's more, lack of climate control can drive away patients.

### Electrical Distribution Systems

Power failures can disrupt patient care. Electrical panels, circuit breakers and cables are all interconnected. A short circuit in one part can spread to other parts of the system, affecting not only the electrical equipment itself, but equipment containing fragile electronic circuitry. A failure of your electrical distribution system can take weeks to repair and cost thousands of dollars.

### Refrigeration Systems

Many of today's medications require refrigeration. In addition, blood samples must be kept cool to ensure accurate test results. If refrigeration breaks down, not only will medications be spoiled medications, your credibility as a reliable, professional service will suffer.

## 5. Mandatory Jurisdictional Inspections

Most states and many local governments require boilers and pressure vessel inspections. Our program provides inspection services so you can avoid local inspection fees in a majority of jurisdictions. You pay only the certificate fee.

### Why The Hanover?

The Hanover is a leading property and casualty insurance company dedicated to achieving world-class performance. Our commitment is to deliver the products, services, and technology offered by the best national companies with the responsiveness, market focus, and local decision making of the best regional companies. This powerful combination has been a proven success since our founding in 1852, and all insurance company subsidiaries are rated "A" (Excellent) by A. M. Best Company.

## 6. Typical And Actual Losses

At a large medical facility, a temperature control failed on a refrigerator containing medications. The malfunction caused the temperature to drop to single-digits. Since normal storage temperatures ranged from 36 to 43 degrees, the medications had to be discarded.

**Total Loss:** \$21,953.07

An MRI machine's cooling system for the superconducting magnets lost pressure, so the machine had to be taken offline. The repair took five weeks, during which time a mobile MRI trailer was rented. A temporary electrical hook-up was installed for the mobile unit. The radiology clinic was unable to perform MRIs during the three days it took to wire in the temporary unit.

**Business Interruption:** \$39,317.68

**Other Expense:** \$1,912.50

**Total Loss:** \$41,230.18



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