



# RAM Mutual Homeowners Equipment Breakdown Coverage

RAM Mutual is pleased to offer an affordable alternative to costly product and home warranty plans—Equipment Breakdown Coverage through your Homeowners Insurance Policy. Whether you are a renter or a high-value homeowner, we have your equipment breakdown exposures covered.

The modern home contains many expensive systems and appliances subject to equipment breakdown. These include:

- Clothes Washers and Dryers
- Computer Equipment
- Dishwashers
- Freezer Units
- Garbage Disposals
- Heat Pumps
- High Efficiency Home Heating and Central A/C Systems
- High Energy Electrical Service Panels
- Home Security Systems
- Kitchen Refrigerators
- Lighting and Home Environment Monitoring
- Microwaves
- Ovens
- Sump Pumps
- Surround Sound Systems
- Swimming Pool Equipment
- Televisions (Plasma, LCD, etc)
- Water Heaters
- Well Water Pumps

Even items that you typically think of as disposable; such as, garage door openers, exhaust/ceiling fans, DVD players and much more, could benefit from this coverage as a result of an electrical power surge.

***“If it uses electric power, it is most likely subject to Equipment Breakdown.”***

Often this equipment requires sophisticated diagnostic tools and skilled technicians to oversee a potential repair. Equipment breakdown coverage protects you against unexpected repair or replacement costs due to a electrical, mechanical, or pressure systems breakdown. In addition to coverage, loss prevention information and loss adjustment services are customized at a fraction of the cost of limiting home warranty products. Best of all, this additional

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coverage follows the terms and conditions of your insurance policy.

## Did You Know?

Thirty-eight percent of all equipment breakdown losses are mechanical in nature. Until now, along with electrical breakdown, these losses were typically excluded under your homeowners policy.

Equipment Breakdown	% of Losses
Electrical Breakdown	46%
Mechanical Breakdown	38%
Pressure Systems Breakdown	16%

## Typical Losses

A domestic water 230-volt deep well pump short-circuited to ground. Upon being pulled from the well to determine its condition, it was concluded that cost to repair the motor was greater than the cost of replacement.

**Cost of Replacement:** \$1,850  
**Loss of Use:** \$186

A power surge caused by the electric utility resulted in arcing damage to the electronic components of a panel television and electric motor of an air conditioning system. Replacement and repairs required service by separate technicians.

**Cost of Repairs:** \$3,750

A personal computer (PC) used to control multiple systems (HVAC, lighting and irrigation) within the home sustained electrical damage from a power surge. Replacement of the computer and the unique programming was required.

**Property Damage:** \$2,975

An air conditioning system suffered an ice buildup in the evaporator due to a cracked compression fitting. The ice plugged the condensate drain causing water to flow into the control cabinet, short-circuiting the solid state controls for the air conditioning system and furnace.

**Cost to Repair:** \$2,800



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