



Equipment breakdown

Is the time of a loss when you want to discover what's not covered in your homeowners policy?

Not all homeowners policies include equipment breakdown coverage, but Nationwide Private Client offers broad coverage. Simple misuse, faulty installation or poor maintenance can cause a breakdown that is costly to repair or replace. Intended for everyday maintenance, home and extended warranties can be very limited and expensive. Equipment breakdown protects your clients from large losses, which can easily cost thousands of dollars. By some estimates, home maintenance expenses that include expenses related to equipment breakdown can cost between 1% and 3% of a home's value per year.

How you may be at risk

Nationwide Private Client's most common equipment breakdown claims involve losses to appliances. One recent claim was submitted for a fully customized deluxe built-in oven that broke down. Our client requested that the inspection take place the very next day, so the claims team accommodated the request and worked closely with the client to ensure the process was easy. Immediately upon inspection, it was determined that the cause of loss was due to an electrical breakdown, which caused severe damage to the oven. Fortunately for our client, he had a Nationwide Private Client homeowners coverage that covered this breakdown,¹ allowing us to submit our findings and request a full replacement (for a like-kind quality oven) to our reinsurance partner, Mutual Boiler Re. Our client let us know that he was very pleased with our proactive, caring and expeditious claims service.

How Nationwide Private Client responds

With Nationwide Private Client, you can enjoy the added benefits of equipment breakdown protection, as we include our equipment breakdown enhancement endorsement automatically with every Nationwide Private Client homeowners policy.

If an appliance,² or other household system breaks down,² our coverage provides up to \$100,000 after a \$500 deductible for the repair or replacement of the item. Examples of covered items include home infrastructure systems, such as HVAC, water heaters, boilers, air/water filtration, pool equipment, chair lifts, alarm systems and electronic or fiber optic equipment within the home. In addition, it covers personal property including appliances, computers, entertainment systems, consumer electronics, exercise equipment and other power equipment.

Examples of covered equipment and potential costs:

- Home entertainment equipment: \$5,000+ (for example, breakdown of internal electronic components³)
- Kitchen and laundry appliances: \$3,000-\$20,000 (for example, refrigerator compressor damage — \$7,500³)
- Chair lifts and elevators: \$1,500-\$25,000 (for example, main control panel damage³)
- Home security monitor systems: \$1,000+ (for example, main control panel damage³)

- Furnace, boiler or heat pumps: \$2,000–\$12,000 (for example, gas water heater tank rupture — \$4,850³)
- Solar, wind and geothermal heating: \$10,000–\$50,000 (for example, electrical arcing or motor turbine damage³)
- Air conditioning: \$3,000–\$12,000 (for example, from compressor damage due to an electrical short — \$3,295)
- Water purification and filtration: \$1,500–\$5,000 (for example, regenerator motor damage)

Why it's important for you

Given the fact that equipment breakdown is not a covered cause of loss under traditional homeowners policies, the time of a loss to your home is no time to discover what's not covered in your homeowners policy.

Nationwide Private Client offers these added benefits:

- Coverage up to \$100,000 per occurrence, subject to a \$500 per occurrence deductible.
- Higher limits than competitor forms for refrigerated property, expediting expenses and pollution clean up; and up to 150% of the cost to repair or replace an item with like kind and quality equipment that is better for the environment.

- Claims — Exceptional claims handling in partnership with Mutual Boiler Re, a company that has provided equipment breakdown coverage for more than 140 years.
- Financial strength — Nationwide, a Fortune 100⁴ company, is one of the largest and strongest diversified insurance and financial services organizations in the U.S. and is rated A1 by Moody's and A+ by both A.M. Best and Standard & Poor's.⁵
- Charitable giving — Since 2000, the Nationwide Foundation, a nonprofit, private foundation has contributed more than \$400 million to charitable organizations across the U.S.

Why Nationwide Private Client

Nationwide Private Client is dedicated to helping protect the assets and reputations of our clients. Our highly personalized insurance products, services and concierge-style claims management are thoughtfully designed to meet the distinctive needs of affluent individuals and families. We are committed to providing you a superior experience whenever you need assistance.

¹Subject to a \$500 deductible.

²Not due to wear and tear.

³Estimated amounts of potential exposure (costs).

⁴Based on revenue, Fortune (July 2018).

⁵Ratings affirmed 11/7/17 by Moody's, 11/16/18 by A.M. Best, and 4/25/18 by Standard & Poor's.

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