



Home Systems Protection Coverage

Overview of Coverage for Home Systems Breakdown

Home Systems Protection is an enhancement to homeowners insurance. The risks of a breakdown have increased because today's homes have more equipment and sensitive technology.

Homeowners depend on the comfort and security their home systems and equipment provide. Most assume they're protected from breakdowns by insurance, warranties or service contracts; however, they're often not. A breakdown can come as an unwelcome surprise and can cost several thousand dollars.

Coverage Highlights, Terms and Conditions

- **Damage to Covered Home Equipment:** Direct physical damage, including electronic circuitry impairment to covered home equipment that occurs on or off the residence premises
- **Environmental Safety and Efficiency Condition:** Additional cost to replace damaged property with equipment that is better for the environment, safer for people or more energy or water efficient than the equipment being replaced. Up to 150% of the cost of replacement with like kind and quality is covered. These additional costs are only provided when replacement is necessary or required
- **Spoilage:**
 - Physical damage due to spoilage that is the result of a home system breakdown of refrigerated property
 - Any necessary expenses the insured incurs to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage
- **Loss of Use:** Coverage for Additional Living Expense and Fair Rental Value is extended to the coverage provided by this endorsement

- **Expediting Expenses:** Reasonable extra costs to make temporary repairs and expedite permanent repairs or replacement
- **Green:**
 - Additional cost to repair or replace damaged property using equipment, materials and service firms required or recommended by a recognized environmental standards program
 - Cost to dispose of damaged property or equipment, if practicable, through a recycling process and flush out reconstructed space with up to 100% outside air using filtration media
 - Cost to reinstate the environmental certification or replace it with an equivalent certification
 - Cost of an engineer, authorized by a recognized environmental standards program, to oversee the repair or replacement of the damaged covered property
- **Pollutant Cleanup and Removal:** Provides for the additional cost to clean up or dispose of "pollutants" that are the direct result of a "home system breakdown"

Limits, Sublimits and Deductible

- ***The limit of liability is dependent on the age of the "covered home equipment". If the "covered home equipment" is determined to be 15 years or older, a \$1,500 limit per damaged unit will apply. If the "covered home equipment" is less than 15 years old, a \$50,000 limit will apply. If a damaged unit of "covered home equipment" is 15 years old or older but was newly installed and first used within 15 years, the \$50,000 limit will apply.**
- **The maximum limit under this coverage endorsement is \$50,000. A \$500 deductible will be applied at the time of loss.**

Coverage restrictions may apply. Please refer to the policy form for specific information.

Panhandle Farmers Mutual Insurance Company

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Claim Scenarios

Homeowners depend on the comfort, convenience and security their home systems and equipment provide. Most assume they're protected by insurance, warranties or service contracts; however, they're often not. A breakdown can come as an unwelcome surprise, costing the homeowner several thousands of dollars or more.

The risks of breakdown are higher than ever because today's home has more equipment and sensitive technology. With **Home Systems Protection** coverage, customers have access to affordable protection.

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Paid Loss after Deductible may include multiple coverages.

Damage to Covered Home Equipment

The insured noticed the air conditioning unit was not properly cooling the home and discovered ice on the condensing unit. A repair company inspected the unit and found a coil had cracked, causing the unit to lose all its freon. The unit, which was only four years old*, could not be repaired and had to be replaced.

Paid loss after Deductible: \$4,500

Spoilage

A homeowner's nine year old refrigerator* suffered an electrical breakdown to the main control panel. The panel turned the refrigerator unit off, which caused all of the food to spoil. The paid loss included coverage for the replacement of the control panel and the resulting spoilage.

Paid loss after Deductible: \$2,500

Loss of Use

A faulty circuit in a water pump caused the boiler to crack in six sections. The boiler unit was less than 15 years old* and needed to be replaced. In addition, the insured needed to stay two nights in a hotel. The paid loss included coverage for the boiler repair and hotel expenses.

Paid loss after Deductible: \$10,120

Equipment 15 Years or Older

A homeowner's built-in kitchen dishwasher broke. The dishwasher, which was 17 years old*, had never been replaced. A repairman determined that the malfunction was caused by a broken shaft. Repairs were not viable and the unit was replaced.

Paid loss after Deductible: \$1,500

Equipment 15 Years or Older

A homeowner's 18 year old refrigerator* suffered a mechanical breakdown due to a broken compressor crank and all of the food spoiled. The paid loss included coverage for the replacement of the refrigerator and the resulting spoilage.

Paid loss after Deductible: \$1,500

Equipment 15 Years or Older

Dust accumulated in the 20 year old main electrical power panel* which led to electrical arcing. The arcing fused the central wiring and the house was without power. A licensed electrician was called in for emergency service. The electrician temporarily repaired the wiring until a suitable replacement system was found. The system's installation was expedited to get the electricity back up and running.

Paid loss after Deductible: \$1,500

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