

# Equipment Breakdown from Forward Mutual Insurance Company Farms and Agribusiness



Regardless of size, most farms have insurable equipment breakdown exposures. Equipment within farm environments is almost always exposed to harsh conditions. Farm exposure related to gas-fired water heaters and other pressure vessels are commonplace. Water heaters can rupture and cause significant damage, while air compressors and electrical generators can suffer mechanical or electrical breakdowns.

All farms have circuit breaker panels, boards, electrical distribution systems and transformers subject to electrical breakdown. Air handling and air conditioning systems as well as various motors, pumps, gearboxes, machine shop tools or welders are often found throughout a typical farm and are subject to breakdown. Production equipment may have expensive robotics or computer controls, such as milking machines/milking parlors, feed mixers, dryers and elevators.

The latest innovations within farm and agribusiness are the introduction of biodiesel-fuel production plants, methane digesters, Solar PV energy systems and the adoption of drone usage for precision agriculture applications.

## Typical Losses

The GPS unit on the tractor overheated and shorted. Due to lack of parts availability, the GPS system required replacement.

**Property Damage:** **\$8,725**

The 300hp irrigation pump seized due to low water conditions. Repair parts were obtained and shipped overnight.

**Property Damage:** **\$15,025**  
**Expediting Expense:** **\$1,200**

## Exposures

- Motors
- Emergency Generators
- Transformers
- Switchgear
- Telecommunications Equipment
- Compressors
- Pumps
- Process Machinery
- Refrigeration Units
- Air Conditioning Units
- Boilers
- Compressed Air Storage Tanks
- Heat Exchangers
- Water Heaters

## Loss Prevention Tip

Develop a maintenance program for equipment to prevent premature failure due to exposure to weather, humidity, water and other deleterious conditions.