

[Date]

[Client Name]

[Client Company Name]

[Client Address]

[City, State, Zip Code]

Subject: Proposal for Equipment Breakdown Endorsement - Policy #[Policy Number]

Dear [Client Name],

Following our recent review of your commercial property insurance, I am writing to propose the addition of an Equipment Breakdown Endorsement to your current policy.

While your standard property policy covers external risks like fire or theft, it typically excludes internal failures. This endorsement is designed to protect your business against the financial impact of sudden and accidental mechanical or electrical breakdown of critical equipment, including:

- HVAC and climate control systems
- Electrical distribution panels and transformers
- Boilers and pressure vessels
- Computers, phone systems, and security technology
- Production and manufacturing machinery

Proposed Coverage Benefits:

- **Repair or Replacement Costs:** Covers the direct cost to fix or replace damaged equipment.
- **Business Income Loss:** Reimburses lost revenue if a breakdown forces a temporary shutdown.
- **Spoilage Recovery:** Covers the loss of perishable goods resulting from a power or cooling failure.
- **Expediting Expenses:** Covers costs to fast-track repairs to resume operations quickly.

Premium Adjustment:

The additional annual premium for this endorsement is \$[Amount].

I have attached a detailed summary of the coverage limits and deductibles for your review. Please let me know if you would like to add this protection to your policy or if you have any questions regarding the specific terms.

Sincerely,

[Agent Name]

[Agency Name]

[Phone Number]
[Email Address]