

# Equipment Protection Plan



## What is it?

Equipment Protection Plan (EPP) is the coverage we provide to our customers in order to reduce their risk.

It limits your risk in relation to both destruction and damages of the equipment you rent from SC Rental Equip Ltd (discussed in detail below).

Account customers may opt out of this program if proof of insurance is provided (discussed in detail on the following page).

## What does it cover?

### All Risks Physical Damage Coverage on Rental Equipment (Includes Re-rentals)

Includes:

- Fire
- Theft
- Vandalism - a police report or fire report will be required in any of these claims.

### Accidental Damage, limited to:

- Collision damage (to the rented equipment only)
- Equipment roll over
- Hail damage
- Impact damage (collision, equipment driven over)
- Failure due to fluid leakage (engine fails because rad hose breaks)
- Engine over-speeds
- Body damage

# EPP

## What doesn't it cover?

This is not liability insurance. The customer is still responsible for liability coverage through their corporate policy or homeowner policy. No carrier will cover the liability for a third party.

Liability coverage for the cash customer should be covered by their personal/homeowner policy.

Account customers should be covered for liability by their general liability policy.

\*These are covered by the manufacturers' warranty, not EPP. There is no deductible on these items.

### - Lack of maintenance

- Running low on oil because of extended service intervals.
- Not cleaning concrete products like mixers, trowels and vibrators.
- Not chaining down when hauling.
- Over-spray on aerial equipment.
- Negligence

### - Misuse

#### - Glass damage

#### - Tire damage

#### - Excess undercarriage wear

#### - Wear items such as:

- Bucket teeth
- Blades
- Chains
- Brushes
- Retrieval of Equipment
- Ground Engaging Tools

#### - Environmental Contamination or Cleanup

#### - Manufacturer warranty issues such as:

Mechanical break down\*

Latent defect\*

Explosion\*

## Where does it Apply?

### Cash customers

- Mandatory for all non-account customers.

### Account customers

- Account customers will take the same coverage but have the option of waiving the coverage by providing proof of insurance coverage from their agent.

### Proof of insurance consists of:

- Certificate of property insurance showing specific or blanket rented equipment coverage, or
- Letter of insurance confirming coverage on specific equipment showing SC RentalEquip Ltd as loss payee.

\*Proof of insurance must be provided otherwise EPP charges will apply. \*

\*Customers who have provided proof of insurance (discussed above) may still elect to be covered by EPP at their discretion.

## Who needs it?

This program is mandatory for all non-account customers (Cash).

Account customers who don't want to have to contact their insurance agent every time they want to add or take a piece of equipment from their policy.

It must be used when account customers cannot provide proof of insurance coverage.



## How much does it cost?

The cost is only 14% of the rental charges.

- On the daily rental of a mini-excavator of \$300 the EPP charge is \$42.
- On the weekly charge of \$900 for a boom lift the EPP rate is \$126.
- On the monthly rental of a diesel plate for \$2,500 the EPP rate is \$350.

### Deductible:

On any claim, the customer has a deductible of:

- 10% of the replacement cost of the rental unit to a maximum of
  - \$2,500 on equipment replacement value up to \$125,000
  - \$5,000 on equipment replacement value \$125,001 to \$250,000
  - \$7,500 on equipment replacement value \$250,001 to \$375,000
  - \$10,000 on equipment replacement value \$375,001 to \$750,000
  - 2% of insured value on equipment replacement value \$750,001+

EPP does not exempt the customer from payment of damages, it limits their risk.

The deductible applies to both damages and repairs as well as total loss of the unit.

In relation to damages and repairs, the lesser of the actual repair cost or the deductible would be charged.

- On a \$500 chainsaw which has sustained \$40 in damage, the charge would be the \$40, as the damages were less than the deductible.
- On a \$75,000 317 skidsteer which has sustained \$8,000 in damage, the charge would be the deductible of \$2,500 which is less than the actual charges.

## Why do I need EPP?

- Provides certainty of coverage.
- Peace of mind.
- Provides an option for account customers who are able to provide proof of insurance coverage.
- Reduces the need to claim something on your own policy. Can reduce increases in premiums in the event of a claim.
- Easier than contacting your insurance broker with equipment change notices, especially on short term rentals.
- Recommended for the rental of pumps (reduced risk if an oversized object is inhaled).
- Recommended when small equipment is used with larger mobile equipment (drive overs).

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