

Another Alternative to Service Contracts

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In the October, 2001 issue of *Microscopy Today*, Randy Tindall described and compared his experiences with service contracts offered by insurance companies versus those offered by equipment manufacturers. As a small business with limited funds, we, too, grappled with the onerous costs of service contracts on our SEM and EDS units. However, we believe that we have found an extremely cost-effective means of protecting our equipment investment against the expense of a major failure.

First, a bit of business philosophy: We believe insurance should be designed to protect the insured from catastrophe, and not be expected to take care of every minor expense or inconvenience that may develop. If you disagree with this philosophy, or if you cannot endure an equipment outage of more than 24 hours under any circumstance you need not read any further. For our method to be effective, it is also imperative that sound operating procedures are followed, the equipment is well-maintained (preferably using in-house capability), and users are well trained (and often).

That said, our secret, low cost approach to the service contract problem is simple: we do not purchase a service contract from anyone. Instead, we buy insurance known as "property floater coverage" for our high-tech, high-cost equipment as part of our overall insurance plan. If you are a business, university or research facility, you likely have such coverage already or can add it quite easily. It is most commonly used for such items as computer equipment or leased equipment in your possession.

This form of insurance can be used to guard against catastrophic damage or loss, and we specifically request "equipment failure coverage" in addition to other potential losses that could befall such equipment. Note that typical insurance company exclusions apply: earthquakes, volcanic eruptions, war, mud slides, etc..

So, what happens when the detector window on the EDS unit ruptures? Or a local utility problem suddenly takes out a transformer bank, spiking the SEM's circuitry and blowing out several power modules? Here's what you can expect:

- 1) Call the equipment manufacturer (or other service provider) and request an emergency repair visit. (Yes, you may have to wait as Randy Tindall properly pointed out, since the OEM provider has first obligation to service contract holders.) In our experience, if there is a good working relationship with the OEM's team, the call will be handled as expeditiously as they can manage. They still want your repair business, service contract or not!
- 2) Expect that they will ask for a Purchase Order, so have one ready to fax.
- 3) Call the insurance company and let them know about the outage and the circumstances that led to it (if known). Ultimately, they may want to talk to the OEM, and they will want copies of all invoices received.
- 4) The service provider will send an invoice once everything is up and running, and they typically give 30 days to pay it. Do so.
- 5) Provide all invoices to the insurance carrier as the final part of the claim. Depending on the company, 30 to 60 days later, the claim check will be on its way, assuming the claim is valid (see exclusion list) and not the result of negligence or fraud. Payment will typically cover the entire repair bill, less the deductible.

The cost of this protection is minimal. In our experience, each rider has cost us less than 10% of an annual service contract. By having a moderate deductible (say, \$1000), we further reduce this cost. In the past six years, we have had two catastrophic failures. Both were fully covered and only cost us our deductible. Compared to the cost of six years of service contracts, we saved a significant sum in exchange for modest inconvenience in downtime.

Caveats: If you have an unacceptable failure rate in your lab already, you may not be maintaining the equipment or instructing your staff properly. The insurance carrier won't tolerate constant failures (and neither should you!), and this process will quickly breakdown as the carrier summarily dumps you or raises your premium. If the equipment repair history is poor, stay with the OEM and figure out why. If, on the other hand, you meet the proper user profile, talk to your insurance people about this approach. It can save you a significant portion of the annual maintenance budget. ■

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- ✓ May 3: Digital Image Capture & Management in Light Microscopy
Montclair, NJ, Donald O'Leary: (201)797-8849, donoleary@att.net

YEAR 2002 APPLIED OPTICAL MICROSCOPY CALENDAR Smithsonian Ctr for Materials Research & Educ. (Suitland, MD)

- ✓ March 11/15: Microscopy of Protective and Decorative Coatings
- ✓ April 8/12: Practical Wood Anatomy in a Museum Environment
- ✓ July 8/12: Polarized Light Microscopy—Fundamentals and Applications
For further information: Ms. Francine Lewis: (301)238-3700 X102

YEAR 2002 MARINE BIOLOGICAL LAB, Woods Hole, MA. Carol Hamel, (508)289-7401, admissions@mbl.edu

- ✓ May 9/17 '02: Analytical & Quantitative Light Microscopy
 - ✓ May 21/28 '02: Microinjection Techniques in Cell Biology
 - ✓ Oct 10/19 '02: Optical Microscopy & Imaging in the Biomedical Sciences
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- ✓ March 17/22 '02: **PITTCON 2002** New Orleans, LA. (412)825-3220, program@pittcon.org
 - ✓ April 8/10 '02: **NIST-MAS Special Topics Workshop, Understanding the Accuracy Barrier in Quantitative Electron Probe Microanalysis and the Role of Standards.** (NIST), Gaithersburg, MD. (301)417-1321, www.nist.gov
 - ✓ May 5/8 '02: **Food Structure & Functionality Symposium** Montreal Quebec, www.aocs.org/member/division/fsff/index.htm
 - ✓ May 22/June 1: **EMBO Practical Course on Electron Microscopy, Immunocytochemistry and Stereology for Cell Biology** (EMBL) Heidelberg, Germany. www.db.embl-heidelberg.de/CoursesConferecnes.html
 - ✓ June 5/12 '02: **Optical Microscopy in the Biological Sciences** (Univ. of Texas Health Science Ctr), San Antonio, TX, Victoria Centonze Frohlich, frohlich@uthscsa.edu, www.uthscsa.edu/csb/image/Announcements.html
 - ✓ June 10/20: **3D Microscopy of Living Cells** (& June 22/24: **Post-course Workshop**) Vancouver, BC, Canada. www.3dcourse.ubc.ca/home.html
- ### 2002 LEHIGH MICROSCOPY SCHOOL
- ✓ June 10/14: SEM and X-ray Microanalysis
 - ✓ June 9: Introduction to SEM and EDS
 - ✓ June 17/20: Advanced Scanning Electron Microscopy
 - ✓ June 17/20: Quantitative X-ray Microanalysis
 - ✓ June 17/20: Analytical Transmission Electron Microscopy
 - ✓ June 18/21: EM Specimen Preparation
 - ✓ June 18/21: Atomic Force Microscopy
 - ✓ June 17/20: Characterization of Nanostructures
Lehigh University, Bethlehem, PA
For info: Sharon Coe, (610)758-5133, sharon.coe@lehigh.edu
 - ✓ June 16/21 '02: **Fourth Annual Course in Quantitative Fluorescence Microscopy** Arcadia National Park, Maine. Simon Watkins: (412)648-3051, swatkins+pitt.edu
 - ✓ June 24/27 '02: **17th Annual Short Course on Molecular Microspectroscopy** (Miami Univ.) Oxford, OH (513)529-2874, www.muohio.edu/mml
 - ✓ July 9/11 '02: **MICROSCIENCE** London, UK, Info@rms.org.uk, www.rms.org.uk/microscience2002
 - ✓ August 4/9 '02: **Microscopy & Microanalysis 200 2 (MSA/MAS)** Quebec City, Canada. http://msc.rvs.ulaval.ca
 - ✓ August 12/16 '02: **UltraPath Xi** (Society for Ultrastructural Pathology) Aspen, CO, Gary Mierau: (303)861-6170,

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