

**THIS ENDORSEMENT CHANGES YOUR POLICY.  
PLEASE READ IT CAREFULLY.**

## **EQUIPMENT BREAKDOWN ENHANCEMENT ENDORSEMENT**

This endorsement will change the coverage that is provided to you by the **BUSINESSOWNERS COVERAGE FORM (BP 00 03)**. Read the entire endorsement to know your rights, duties and what is and what is not covered.

### **SECTION I – PROPERTY**

#### **A. Coverage**

The following **Limitations** are deleted:

#### **4. Limitations**

- a. We will not pay for loss of or damage to:
- (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment that is caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - (2) Hot water boilers or other water heating equipment that is caused by or that results from any condition or event inside the boilers or equipment, other than an explosion.

#### **5. Additional Coverages**

The following **Additional Coverages** are deleted and replaced by:

- h. Pollutant Clean Up and Removal**  
We will pay for Pollutant Clean Up and Removal for a loss that is the result of an "Equipment Breakdown". The most that we will pay for the Pollutant Clean Up and Removal is \$50,000, unless a higher limit is provided by an endorsement to the property form to which this

endorsement is attached. In that case, the greater limit will apply.

The following **Additional Coverages** are added:

#### **s. Expediting Expense**

We will pay for the expediting expense loss that results from an "Equipment Breakdown" to your damaged Covered Property. We will pay the reasonable extra cost to:

- (1) Make temporary repairs;
- (2) Expedite permanent repairs; or
- (3) Expedite permanent replacement

Reasonable extra cost shall mean "the extra cost of temporary repair and expediting the repair of such damaged equipment of the insured. This includes overtime and the extra cost of express or other rapid means of transportation." This will be a part of and not an addition to the limit per loss.

#### **t. Refrigerant Contamination**

We will pay for a loss from refrigerant contamination that is used in refrigerating, cooling or humidity control equipment at the described premises and is the result of an "Equipment Breakdown".

The most that we will pay for loss or damage for this coverage is \$50,000 unless a higher limit is provided by

an endorsement to the property form to which this endorsement is attached. In that case, the greater limit will apply.

**u. Spoilage Coverage**

We will pay for a loss of perishable goods that is due to spoilage that is a result of a lack of power, light, heat, steam or refrigeration and is caused by an "Equipment Breakdown" to types of property that are covered by this policy, and are:

- (1) Located on or within 100 feet of your described premises; and
- (2) Owned by you, the building owner at your described premises, or by a public utility.

We will not pay for loss, damage, cost or expense that is directly caused by, contributed to by, results from or arises out of the following:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water, water damage, earth movement or flood.

The most that we will pay for loss or damage under this coverage is \$50,000, unless a higher limit is provided by an endorsement to the property form to which this endorsement is attached. In that case, the greater limit will apply.

**v. CFC Refrigerants**

We will pay for the additional cost to repair or to replace the Covered Property because of the use of or the presence of a refrigerant that contains CFC (chlorofluorocarbon) substances.

Additional costs mean costs that are in excess of what would be required to repair or to replace a covered

property, if no CFC refrigerant were involved. We will also pay for a loss, as it is described in the Spoilage or Loss of Income Coverage, that is caused by the presence of a refrigerant that contains CFC substances.

We will pay no more than the least of:

- (1) The cost to repair the damaged property and replace any lost CFC refrigerant;
- (2) The cost to repair the damaged property, retrofit the system to accept a non-CFC refrigerant, and charge the system with a non-CFC refrigerant; or
- (3) The cost to replace the system with one using a non-CFC refrigerant.

**w. Computer Equipment**

We will pay for loss or damage to your computer(s) that are caused by an "Equipment Breakdown".

**x. Service Interruption**

Insurance that is provided for Business Income, Extra Expense or Spoilage is extended to apply to loss, damage or expense that is caused by an "Equipment Breakdown" to equipment that is owned by a utility, landlord or other supplier with whom you have a contract to supply you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of "Equipment Breakdown" except that it is not Covered Property.

**y. Valuable Papers and Records**

We will pay for your reasonable and necessary cost to research, replace and restore the lost information on

electronic media and records as a result of an "Equipment Breakdown".

This will be a part of and not an addition to the limits that are provided by the "valuable papers and records" coverage under the property form to which this endorsement is attached.

## B. Exclusions

The following **Exclusions** have been deleted and replaced with the following:

### 1. e. Power Failure

Loss that results from an "Equipment Breakdown" to power or other utility service that is supplied to the described premises, no matter how caused, if the failure occurs more than 100 feet away from the described premises.

If failure of power or other utility service results in an "Equipment Breakdown" to Covered Property, we will pay for the loss or damage that is caused by the "Equipment Breakdown".

But, we will not pay for any loss, damage, cost or expense that is directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water, water damage, earth movement or flood.

The following **Exclusions** are deleted:

### 2. a. Electrical Apparatus

Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;

But if artificially generated electrical current results in fire, we will pay for the loss or damage that is caused by fire.

### d. Steam Apparatus

Explosion of steam boilers, steam pipes, steam engines or steam turbines that are owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage that is caused by that fire or combustion explosion. We will also pay for loss or damage that is caused by or results from the explosion of gases or fuel that are within the furnace of any fired vessel or are within the flues or passages by which the gases of combustion pass.

### I. Other Types of Loss, (6)

Mechanical breakdown, including rupture or bursting that is caused by centrifugal force.

## F. Property General Conditions

The following **Property General Conditions** are added:

### 5. Suspension

When Covered Property is found to be in, or found to be exposed to, a dangerous condition, we may, at any time, suspend insurance against a loss to that Covered Property for a covered peril. Coverage can be suspended and/or reinstated by the delivery of, or mailing a written notice of suspension and/or reinstatement to:

- (a) Your last known address; or
- (b) The address where the property is located.

If we suspend your insurance, you will get a *pro rata* refund of the premium. But the suspension will be effective even if we have not yet made or offered a refund.

### 6. Jurisdictional Inspections

If any Covered Property under this endorsement requires an inspection to comply with state or municipal boiler and pressure vessel laws, we agree to perform the inspection for you. We do not warrant that conditions are safe or healthful.

### 7. Environmental, Safety and Efficiency Improvements

If a Covered Property requires

replacement due to an "Equipment Breakdown", we will pay the additional cost to replace with equipment that is better for the environment, safer, or more efficient than the equipment that is being replaced.

conditioning system used for cooling, humidifying or space heating purposes.

But, we will not pay more than 125% of what the cost may have been to repair or replace with a like kind and quality. This Condition does not apply to any property to which Actual Cash Value applies.

- (2) All mechanical, electrical, electronic or fiber optic equipment; and

**G. Optional Coverages**

With regards to the coverage that is provided by this endorsement, Paragraph **G.1.c. (5)** of the **Outdoor Sign Optional Coverage** does not apply.

- b. Caused by, resulting from, or consisting of:

- (1) Mechanical breakdown;
- (2) Electrical or electronic breakdown; or
- (3) Rupture, bursting, bulging, implosion, or steam explosion.

The provisions of this endorsement supersede the following **Optional Coverages**:

**4. Mechanical Breakdown**

However, "Equipment Breakdown" will not mean:

**H. Property Definitions**

**12.** "Specified Causes of Loss" also means "Equipment Breakdown".

Physical loss or damage that is caused by or that results from any of the following; however, if loss or damage not otherwise excluded results, then we will pay for such resulting damage:

"Equipment Breakdown" as used herein means:

- a. Physical loss or damage that both originate within:
  - (1) Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding: waste disposal piping;
    - a. any piping forming part of a fire protective system;
    - b. furnaces; and
    - c. any water piping other than:
      - (1) boiler feed water piping between the feed pump and the boiler;
      - (2) boiler condensate return piping; or
      - (3) water piping forming part of a refrigerating or air

- (1) Wear and Tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect, mold or any other quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- (6) Any accident, loss, damage, cost, claim, or expense, whether preventative, remedial, or otherwise, directly or indirectly arising out of or relating to the recognition, interpretation, calculation, comparison, differentiation, sequencing, or processing of data by any computer system including any hardware, programs or software;
- (7) Scratching and marring;
- (8) Loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, falling objects,

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smoke, aircraft or vehicles, riot or civil commotion,  
vandalism, sinkhole collapse, volcanic action,  
leakage from fire extinguishing equipment, water,  
water damage, earth movement or flood.