

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

## **EQUIPMENT BREAKDOWN ENHANCEMENT ENDORSEMENT**

With respect to this Equipment Breakdown Enhancement Endorsement, this endorsement changes coverage that is provided by the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM 00 10 04 02  
CAUSES OF LOSS - BASIC FORM CP 10 10 04 02**

Read the entire endorsement carefully to determine your rights, your duties and what is and is not covered.

### **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

#### **A.Coverage**

##### **4.Additional Coverages**

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

##### **d. Pollutant Clean Up and Removal**

We will pay for the Pollutant Clean Up and Removal for loss that results from an "Equipment Breakdown". The most 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 for which this endorsement is attached. In that case, whichever limit is greater will apply.

This Additional Coverage does not apply to costs to test for, to monitor or to assess the existence, the concentration or effects of "pollutants". But we will pay for testing that is performed in the course of extracting the "pollutants" from the land or water.

The following **Additional Coverages** are added:

##### **g. Expediting Expenses**

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

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

Reasonable extra cost shall mean "the extra cost of temporary repair and of expediting the repair of such damaged equipment of the insured, including 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.

##### **h. Refrigerant Contamination**

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

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

case, whichever limit that is greater will apply.

**i. Spoilage**

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

- (1) Located on or within 1,000 feet of your described premises; and
- (2) Owned by you, the building owner at your described premises, or owned by a public utility.

However, we will not pay for any loss, any damage, any cost or any expense that is directly caused by, contributed by, that results from or arises 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, sink-hole 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 for by an endorsement to the property form to which this endorsement is attached. In that case, whichever limit is greater will apply.

**j. Service Interruption**

Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, to your damage or expense caused by an "Equipment Breakdown" to equipment that is

owned by a utility, by a 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.

**F. Additional Conditions**

The following **Additional Conditions** are added:

**3. Suspension**

Whenever a Covered Property is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against a loss to that Covered Property for the perils that are covered by this endorsement. Coverage can be suspended and possibly reinstated by delivering or by mailing a written notice of suspension or coverage 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 not yet offered a refund.

**4. Jurisdictional Inspections**

If a Covered Property under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or that they are healthful.

## 5. Environmental, Safety and Efficiency Improvements

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

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

## H. Definitions

The following **Definitions** are added: "Equipment Breakdown"

"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:

- a. waste disposal piping;
- b. any piping that forms a part of a fire protective system;
- c. furnaces; and
- d. 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 that forms part of a refrigerating or air conditioning system that is used for cooling, humidifying or space heating purposes.

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

b. That is caused by, that results from, or consists of:

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

However, "Equipment Breakdown" will not mean:

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

- (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 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, that results from or arises 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 equip-

ment, water, water damage, earth movement or flood.

## CAUSES OF LOSS - BASIC FORM

### A. Covered Causes of Loss

The following **Covered Causes of Loss** is added:

12. "Equipment Breakdown"

### B. Exclusions

The following **Exclusions** are deleted:

- 2.a. Artificially generated electrical current, that includes 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 for the damage that is caused by that fire.
- 2.d. Explosion of steam boilers, steam pipes, steam engines or steam turbines that are owned by you or are leased by you, or are 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 for the damage that is caused by that fire or that is caused by combustion explosion.
- 2.e. Mechanical breakdown, that includes rupture or bursting caused by centrifugal force. But, if mechanical breakdown results in a Covered Cause of Loss, we will pay for the loss or for the damage that is caused by that Covered Cause of Loss.