

HOME - EQUIPMENT BREAKDOWN COVERAGE

Throughout this Endorsement the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks in this Endorsement have special meaning. Refer to the G. Equipment Breakdown Definitions for their meaning.

A. Equipment Breakdown Coverage

We will pay for direct damage to "Covered Property" caused by a "Breakdown" to "Covered Equipment".

We will also pay for any Additional Living Expense or other similar coverage as provided by this policy which results from a "Breakdown" to "Covered Equipment".

B. Equipment Breakdown Coverage Extensions

The following Equipment Breakdown Coverage Extensions apply to loss or damage caused by or resulting from a "Breakdown" to "Covered Equipment". These Coverage Extensions do not provide additional amounts of insurance. The limits provided are part of, not in addition to, the limit of insurance in E. below.

1. **Pollutants** -- We pay for the additional cost to repair or replace covered property because of contamination by "Pollutants". This includes the additional expenses to clean up or dispose of such property. We will also pay the cost to extract "Pollutants from land or water at the "Insured Location".

This does not include contamination of "Perishable Property" by a refrigerant, including but not limited to ammonia, which is addressed under Perishable Goods below.

Additional costs mean those in excess of what would have been required to repair or replace damage to covered property had no "Pollutants" been involved.

The most "we" pay for loss, damage, or expense under this coverage, including actual loss of "Time Element" as may otherwise be provided you sustain if the policy to which this Endorsement is attached provides such coverage, is \$50,000.

2. **Perishable Goods.**

- a. We will pay for:

- (1) Loss of "Perishable Property" due to spoilage;
- (2) Your loss of "Perishable Property" due to spoilage that is caused by or results from an interruption in utility services that is the direct result of a "Breakdown" to "Covered Equipment" that is owned by a utility, landlord, or other supplier with whom you have a contract to provide you with any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, compressed air, water or steam. Coverage for such loss will begin 12 hours after the time the "Breakdown" causes the interruption of the utility service; and

- b. The most we will pay under this Coverage Extension is \$3,000.

C. Exclusions

We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

The exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. **Earth Movement** -- Earth movement includes but is not limited to:
 - a. earthquake;
 - b. landslide, subsidence, erosion;
 - c. mudflow;
 - d. sinkhole collapse;
 - e. earth sinking, rising, shifting, expanding, or contracting; or
 - f. volcanic explosion.
2. **Intentional Acts** -- an act committed by you or at your direction with the intent to cause a loss.
3. **Neglect** -- your neglect to use all reasonable means to save and preserve "Covered Property" at and after the time of a loss.
4. **Nuclear Hazard** -- nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by, contributed to, or aggravated by a cause of loss insured against under this Endorsement and whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke.
5. **Ordinance or Law** -- the enforcement of a code, ordinance, or law which regulates the use, construction, repair, or demolition of property or the removal of its debris.
6. **War** -- declared or undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, or destruction, seizure, or use of property for a military purpose. It includes the consequences of these. Discharge of a nuclear weapon is deemed an act of war even if it is accidental.
7. **Water Damage** --
 - a. flood, surface water, waves, tidal water, overflow of a body of water, or spray, all whether driven by wind or not;
 - b. water which backs up through or overflows from sewers, drains, or sumps; or
 - c. water below the surface of the ground. This includes water which exerts pressure on, or seeps or leaks through or into a building, sidewalk, driveway, foundation, swimming pool, or other structure.
 except as provided in the Drying Out Equipment Breakdown Coverage Extension.
8. **Wear and Tear** -- wear and tear, marring, deterioration, inherent vice, latent defect, rust, wet or dry rot, corrosion, mold, or smog. However, we will pay for a "Breakdown" to "Covered Equipment" that ensues from wear and tear, marring, deterioration, inherent vice, latent defect, rust, wet or dry rot, corrosion, mold, or smog.
9. **Errors, Omissions, and Defects** -- one or more of the following:
 - a. an act, error, or omission (negligent or not) relating to:
 - 1) land use;
 - 2) the design, specification, construction, workmanship, or installation of property;
 - 3) planning, zoning, development, surveying, siting, grading, compaction; or
 - 4) maintenance of property (including land, structures, or improvements); whether on or off the "Insured Location";
 - b. a defect, a weakness, the inadequacy, a fault, or unsoundness in materials used in construction or repair whether on or off the "Insured Location". unless a "Breakdown" to "Covered Equipment" ensues.

10. **Testing.** Any loss or damage to "Covered Equipment" while undergoing a test which subjects such "Covered Equipment" to greater than maximum allowable operating conditions as identified by the manufacturer of the "Covered Equipment".
11. One or more of the following:
- Lightning;
 - Windstorm or hail;
 - Weight of snow, ice, sleet; or
 - Freezing caused by cold weather;
12. **Perils** -- one or more of the following:
- Aircraft;
 - Civil commotion;
 - Collapse;
 - Impact of aircraft or missile;
 - Molten material;
 - Objects falling from aircraft, meteors or missiles;
 - Riot;
 - Smoke;
 - Vandalism;
 - Vehicles;
 - Water or other means used to extinguish a fire, even when the attempt is unsuccessful;
 - Water damage caused by the discharge or leakage of a sprinkler system, sewer piping or domestic water piping. However the we will pay for the water damage if such discharge or leakage is caused directly by a "Breakdown" to "Covered Equipment" other than sprinklers, sewer piping and domestic water piping;
 - Fire;
 - Combustion explosion;
 - Explosion unless such explosion is of a steam boiler, electric steam generator, steam piping, steam turbine or steam engine; or
 - Explosion of a gas turbine or other moving or rotating machinery unless such explosion is caused by centrifugal force or mechanical breakdown.
- However, we will pay for a "Breakdown" to "Covered Equipment" if one of the perils listed in 12.a. through 12.p. occurs away from the "Insured Location" and causes an electrical surge or other electrical disturbance that comes through utility transmission lines, if such electrical surge or disturbance is not covered elsewhere in your policy.

D. Equipment Breakdown Conditions:

The following conditions apply in addition to the other Conditions applicable to the "Covered Property".

- New Generation.** If "Covered Equipment" cannot be repaired and the damaged "Covered Property" is valued at replacement cost, you may choose to apply the following provision:
 You may replace damaged "Covered Equipment" with a newer generation "Covered Equipment" of the same capacity, which improves the environment, increases efficiency or enhances safety. We will pay up to an additional 25% of the amount for the "Covered Equipment". This additional amount is included in, not in addition to, the applicable "Covered Property" Limit of Insurance.
- If a loss covered under this Endorsement is also covered elsewhere in this Policy, the coverage provided by this Endorsement is excess over the amount covered elsewhere in the Policy.

E. Limits of Insurance

The most we will pay for loss under this Endorsement is \$50,000.

F. Deductible

We will not pay for loss, damage or expense in any one "Breakdown" until the amount of loss exceeds the Deductible shown in the Declarations for the applicable "Covered Property". If two or more deductibles apply to a loss involving both a cause of loss covered in this Endorsement and/or another cause of loss covered in this Policy for a single occurrence, then the total amount to be deducted will be only the largest of the applicable deductibles.

G. Definitions:

The following definitions apply to the coverage provided by this Endorsement.

1. "Breakdown"
 - a. "Breakdown" means:
 - (1) Failure of pressure or vacuum equipment;
 - (2) Mechanical failure, including rupture or bursting caused by centrifugal force; or
 - (3) Electrical failure caused by artificially generated electric current, including arcing; that causes physical damage to "Covered Equipment" and necessitates its repair or replacement.
 - b. "Breakdown" does not mean or include:
 - (1) Cracking of any part on an internal combustion gas turbine exposed to the products of combustion;
 - (2) Damage to any structure or foundation supporting the "Covered Equipment" or any of its parts;
 - (3) Damage to any vacuum tube, gas tube, or brush;
 - (4) Functioning of any safety or protective device;
 - (5) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection; or
 - (6) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
 - c. If an initial "Breakdown" causes other "Breakdowns", all will be considered one "Breakdown". All "Breakdowns" that manifest themselves at the same time and are the result of the same cause will also be considered one "Breakdown".
2. "Covered Equipment"
 - a. "Covered equipment" means:
 - (1) Equipment designed and built to operate under internal pressure or vacuum other than weight of contents;
 - (2) Communication equipment and "Computer Equipment";
 - (3) Any other electrical or mechanical equipment that is used in the generation, transmission or utilization of energy; and
 - (4) Fiber optic cable.
 - b. "Covered Equipment" does not mean or include any:
 - (1) Dragline, power shovel, excavation or construction equipment including any equipment mounted on or used solely with any dragline, power shovel, excavation or construction equipment;
 - (2) Equipment or any part of such equipment manufactured by you for sale;
 - (3) Equipment while in the course of transit;
 - (4) Felt, wire, screen, mold, form, pattern, die, extrusion plate, swing hammer, grinding disc, cutting blade, non-electrical cable, chain, belt, rope, clutch plate, brake pad, non-metal part or any part or tool subject to periodic replacement;
 - (5) Insulating or refractory material;
 - (6) "Media";
 - (7) Non-metallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code

- or a Code that has been accepted by the National Board of Boiler and Pressure Vessel Inspectors;
- (8) Outside yard maintenance equipment, including but not limited to, lawn mowers, garden tractors, snow removal equipment, weed whackers, chain saws, log splitters, wood chippers and blowers, including any equipment mounted on or used solely with such equipment.;
 - (9) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
 - (10) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;
 - (11) Structure, foundation, cabinet or compartment supporting or containing the "Covered Equipment" or part of the "Covered Equipment" including penstock, draft tube or well casing; or
 - (12) Tractors, combines, corn pickers, hay balers, harvesters, harvester-thresher combines, peanut diggers, potato diggers and pickers, cotton pickers, crop driers, wagons, trailers, and implements, and any other vehicle, aircraft, self-propelled equipment or floating vessel, including any equipment mounted on or used solely with such equipment.
3. "Computer Equipment" means:
 - a. Your programmable electronic equipment that is used to store, retrieve and process data; and
 - b. Associated peripheral equipment that provides communication including input and output functions such as printing or auxiliary functions such as data transmission.
 It does not include "Data" or "Media".
 4. "Covered Property" means:
 - a. Property covered by this policy as shown in the declarations. However, "Covered Property" does not include:
 - (1) Animals.
 5. "Data" means:
 - a. Programmed and recorded material stored on "Media"; and
 - b. Programming records used for electronic data processing, or electronically controlled equipment.
 6. "Insured Location" means a location covered by this Policy as shown in the Declarations.
 7. "Media" means electronic data processing, recording or storage media such as films, tapes, discs, drums or cells. However, "Media" does not include any hard disk drive that is an internal component of "Computer Equipment".
 8. "Perishable Property" means "Covered Property" that is:
 - a. Maintained under controlled temperature or humidity conditions for preservation; and
 - b. Susceptible to loss or damage if the controlled temperature or humidity conditions change.
 9. "Pollutants" means any substance that has been declared to be hazardous to health by a governmental agency.