

## FARM 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 H. Equipment Breakdown Definitions for their meaning.

### A. Farm 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. Farm 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 that applies to the damaged "Covered Property".

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 \$250,000.

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
  - (3) Your loss of "Perishable Property" due to contamination from the release of refrigerant, including but not limited to ammonia, caused by a "Breakdown" to "Covered Equipment".
- b. We will also pay any necessary expense you incur to reduce the amount of loss under this Coverage Extension. We will pay such expenses to the extent that they do

not exceed the amount of loss that otherwise would have been payable under this coverage.

- c. If you are unable to replace spoiled "Perishable Property" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "Perishable Property" at the time of the "Breakdown", less discounts and expenses you otherwise would have had. Otherwise, our payment will be determined in accordance with the loss payment (valuation) provision for the "Covered Property".
- d. The most we will pay under this Coverage Extension is \$250,000. However, if a limit of insurance is shown in the Declarations for Farm Equipment Breakdown - Perishable Property, the most we will pay is the limit shown in the Declarations.

### **3. Expediting Expense**

- a. We will pay the reasonable extra cost incurred to make temporary repairs and expedite permanent repairs or replacement if a "Breakdown" to "Covered Equipment" causes direct physical loss of or damage to "Covered Property". Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation.
- b. The most we will pay under this Coverage Extension is the Limit of Insurance that applies to the damaged "Covered Property".

### **4. Utility Interruption – Time Element**

- a. If "Time Element" is provided elsewhere in this Policy, it is extended to apply to loss caused by or resulting from 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 utility services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, compressed air, water or steam, when such "Breakdown" to "Covered Equipment" causes an interruption of any such service.
- b. Coverage for Utility Interruption will begin 12 hours after the time the "Breakdown" causes the interruption of the utility service.

### **5. Consequential Loss to "Livestock" and "Poultry"**

- a. We will pay the fair market value for death or destruction of "Livestock" and "Poultry" while at the "Insured Location" caused by, resulting from, or made necessary by a "Breakdown" to "Covered Equipment". "Livestock" and "Poultry" while in public stockyards, sales barns, sales yards, packing plants or slaughterhouses are not covered under this Coverage Extension.
- b. The most we will pay under this Coverage Extension is \$25,000, subject to a maximum of \$1,000 per animal.

### **6. "Data" or "Media"**

- a. If "Media" is damaged or "Data" is lost or corrupted as a direct result of "Breakdown" to "Covered Equipment", we will pay the actual cost to:
  - (1) Research, replace or restore the damaged "Media" or lost or corrupted "Data"; or
  - (2) Reprogram instructions used in any covered "Computer Equipment".
- b. We will pay for loss to damaged "Data" or "Media" as follows:
  - (1) Replacement cost for "Data" or "Media" that are mass produced and commercially available; and
  - (2) The cost you actually spend to reproduce the records on blank material for all other "Data" or "Media" including the cost of gathering or assembling information for such reproduction.
- c. We will not pay for "Data" or "Media" that we determine is not or cannot be replaced with "Data" or "Media" of like kind and quality or property of similar functional use.
- d. The most we will pay under this Coverage Extension is the Limit of Insurance that applies to the damaged "Covered Property".

**7. "Portable Covered Equipment"**

- a. We will pay for "Portable Covered Equipment" if damaged as a direct result of a "Breakdown", on or off the "Insured Location".
- b. The most we will pay under this Coverage Extension is the Limit of Insurance that applies to the damaged "Covered Property".

**8. Irrigation Equipment**

- a. We will pay for direct physical damage to equipment that is used to perform the function of irrigation in your farm operations if damaged as a direct result of a "Breakdown" to "Covered Equipment".
- b. The most we will pay under this Coverage Extension is the Limit of Insurance that applies to the damaged "Covered Property".

**9. Drying Out**

- a. If electrical "Covered Equipment" requires drying out as a result of a flood, waves, tides, tidal waves, or overflow of any body of water or their spray, even if driven by wind, we will pay for the direct expense of drying out such electrical "Covered Equipment". The most we will pay for such expense under this Equipment Breakdown Coverage Extension is the lesser of:
  - (1) \$25,000; or
  - (2) the Actual Cash Value of such damaged electrical "Covered Equipment".
- b. Coverage provided by this Coverage Extension does not include the cost to replace such equipment or any other loss, damage or expense that is caused by or results directly or indirectly from flood, waves, tides, tidal waves, or overflow of any body of water or their spray, even if driven by wind.

**10. Transportable Electrical Equipment.**

- a. We will pay for "Transportable Electrical Equipment" if damaged as a direct result of a "Breakdown", on or off the "Insured Location".
- b. The most we will pay for loss, damage, or expense under this Coverage Extension is \$25,000.

**11. Time Element.**

- a. If "Time Element" is provided elsewhere in this Policy, it is extended to apply to loss caused by or resulting from a "Breakdown" to "Covered Equipment".
- b. The most we will pay for loss or expense under this Coverage Extension is the Limit of Insurance for such coverage(s) found elsewhere in this Policy.

**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. With respect to "Portable Covered Equipment", irrigation equipment and "Transportable Electrical Equipment", collision, overturning, collapse or upset of the equipment.
12. One or more of the following:
  - a. Lightning;
  - b. Windstorm or hail;
  - c. Weight of snow, ice, sleet; or
  - d. Freezing caused by cold weather;

13. **Perils** -- one or more of the following:
- a. Aircraft;
  - b. Civil commotion;
  - c. Collapse;
  - d. Impact of aircraft or missile;
  - e. Molten material;
  - f. Objects falling from aircraft, meteors or missiles;
  - g. Riot;
  - h. Smoke;
  - i. Vandalism;
  - j. Vehicles;
  - k. Water or other means used to extinguish a fire, even when the attempt is unsuccessful;
  - l. 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;
  - m. Fire;
  - n. Combustion explosion;
  - o. Explosion unless such explosion is of a mint still, alcohol still, steam boiler, electric steam generator, steam piping, steam turbine or steam engine; or
  - p. 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 13.a. through 13.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".

1. **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.
2. 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. Equipment Breakdown General Conditions**

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

**1. Jurisdictional Inspections**

- a. We agree to provide pressure vessel certificate-of-operation engineering services where:
  - (1) The certificate-of-operation is required by state, city or provincial law; and
  - (2) The state, city or provincial law permits inspections by insurance company employees.

- b. If we receive notification of a pressure vessel certificate-of-operation inspection due date less than thirty (30) days prior to the expiration of the certificate-of-operation, we will not be responsible for:
  - (1) Any fine or other penalty that may be assessed; or
  - (2) Any liability that may arise due to the fact that the inspection was not performed prior to the certificate-of-operation due date.
- c. Certificate-of-operation engineering services will not be provided for any location other than in the United States of America, Puerto Rico or Canada.

## 2. Suspension

- a. Whenever "Covered Equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the coverage provided by this Endorsement. We will deliver or mail a written notice of suspension to your last known address or the address where the "Covered Equipment" is located.
- b. Once suspended in this way, your coverage can be reinstated only by an Endorsement for that "Covered Equipment".
- c. If we suspend your coverage, you will get a pro rata refund of premium for that "Covered Equipment". But the suspension will be effective even if we have not yet made or offered a refund.

## F. Limits of Insurance

The coverage provided under Farm Equipment Breakdown is included in, not in addition to, the Limit of Insurance for the applicable damaged "Covered Property".

## G. 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.

## H. 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) Irrigation Equipment, except as provided under the Farm Equipment Breakdown Coverage Extension for Irrigation Equipment;
    - (7) "Media";
    - (8) 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;
    - (9) 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.;
    - (10) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
    - (11) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;
    - (12) 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
    - (13) 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, except as provided in the Farm Equipment Breakdown Coverage Extension for Consequential Loss to "Livestock" and "Poultry".
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. "Livestock" means cattle, sheep, swine, goats, horses, mules and donkeys.
- 8. "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".
- 9. "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.
- 10. "Pollutants" means any substance that has been declared to be hazardous to health by a governmental agency.
- 11. "Portable Covered Equipment" means "Covered Equipment" that is:
  - a. your "Covered Property" or property of others that you are legally liable for;
  - b. operated by you or by someone you have designated to operate such equipment;
  - c. equipment that is not in transit and is located at a fixed location;
  - d. equipment that is in use or connected and ready for use; and
  - e. equipment that is not mounted on a vehicle.Equipment that is mounted on a trailer is considered as "Portable Covered Equipment", however there shall, be no coverage for the trailer.
- 12. "Poultry" means fowl kept by you for use or sale.
- 13. "Time Element" means any coverage provided elsewhere in the policy covering:
  - a. Business Income, Loss of Income, Disruption of Farm Operations or other similar coverage;
  - b. Extra Expense; or
  - c. Expenses incurred to reduce or avert loss under 1) or 2) above.
- 14. "Transportable Electrical Equipment" means your "Covered Property" which utilizes electrical energy which is connected to threshing machines, tractors, combines, corn pickers, hay balers, harvesters, peanut diggers, potato diggers or pickers, cotton pickers, crop driers, and implements. "Transportable Electrical Equipment" does not include any electric equipment which is used with the power train, transmission or engine.