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## HOMEOWNERS EQUIPMENT BREAKDOWN COVERAGE

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### AGREEMENT

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In return for **your** payment of the required premium, **we** provide the coverage described in this endorsement during the policy period. This coverage is subject to the **terms** of this endorsement; the **Declarations**, the **Policy Conditions**, **Additional Policy Conditions**, and **Property Coverage Terms**.

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### DEFINITIONS

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With respect to coverage provided by this endorsement, the following definitions apply:

1. **Data** means information or instructions stored in digital code capable of being processed by machinery.
2. **Media** means material on which **data** is recorded, such as magnetic tapes, hard drives, optical disks, or floppy disks.
3. **One residence breakdown** means if an initial **residence breakdown** causes other **residence breakdown**, all will be considered **one residence breakdown**. All **residence breakdown(s)** that are the result of the same event will be considered **one residence breakdown**.
4. **Residence breakdown** means a fortuitous event that causes direct physical damage to **residence covered equipment**. The event must be one of the following:
  - a. mechanical breakdown including rupture or bursting caused by centrifugal force;
  - b. electrical failure caused by artificially generated electric current, including arcing; or
  - c. tearing apart, cracking, burning, or bulging of a steam or hot water heating system or an air conditioning system.
5. **Residence covered equipment** means:
  - a. covered property that generates, transmits, or utilizes energy, including electronic communications equipment;
  - b. equipment which, during normal usage, operates under vacuum or pressure, other than weight of contents;
  - c. outside yard maintenance equipment with power measuring less than or equal to 25hp, including but not limited to: lawn mowers, garden tractors, snow removal equipment, weed whackers, chain saws, log splitters, wood chippers and blowers.

**Residence covered equipment** does not mean or include any:

- a. **Media**;
- b. Insulating or refractory material;
- c. Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;
- d. Structure, foundation, cabinet or compartment supporting or containing the **residence covered equipment** or part of the **residence covered equipment** including well casing;
- e. Motor vehicle, aircraft, tractor, hovercraft or watercraft, including any **residence covered equipment** mounted on or used solely with any motor vehicle, aircraft, tractor, hovercraft or watercraft;

- f. Equipment with power measuring greater than 25hp; or
- g. Excavation or construction equipment including any **residence covered equipment** mounted on or used solely with any excavation or construction equipment.

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## PERILS INSURED AGAINST - COVERAGES A, B, C, D AND E – HOMEOWNERS EQUIPMENT BREAKDOWN

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With regard to coverage provided by this endorsement, the following is added to **Perils Insured Against** for **Coverages A, B, C, D and E**..

### Homeowners Equipment Breakdown Coverage

**We** insure covered property for risks of direct physical loss caused by a **residence breakdown** at the **insured location**.

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## ADDITIONAL COVERAGES

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With respect to coverage provided by this endorsement, **we** provide the following additional coverages for loss caused by or resulting from a **residence breakdown**.

1. **Spoilage – We** pay for loss involving the spoilage of perishable goods.

The most **we** pay for loss, damage, or expense under this coverage, is **\$10,000**. This amount is part of not in addition to the amount in **1.a. of HOW MUCH WE PAY FOR LOSS OR CLAIM – EQUIPMENT BREAKDOWN**.

2. **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**.

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, is **\$10,000**. This amount is part of not in addition to the amount in **1.a. of HOW MUCH WE PAY FOR LOSS OR CLAIM – EQUIPMENT BREAKDOWN**.

3. **Sump Overflow – We** pay for direct physical loss to covered property caused by or resulting from the overflow of water or waterborne material from a sump if such overflow is the result of a **residence breakdown** of a sump pump or any other **residence covered equipment** necessary to operate that sump pump.

The most **we** pay for loss, damage, or expense under this coverage is **\$2,500**. This amount is part of not in addition to the amount in **1.a. of HOW MUCH WE PAY FOR LOSS OR CLAIM – EQUIPMENT BREAKDOWN**.

**We** will not pay for any loss or damage under this coverage if such loss, damage, or expense is covered elsewhere by the policy, regardless of any applicable deductible, or whether **you** can collect on it or not.

4. **Expediting Costs –** With respect to direct physical loss to covered property, **we** pay the reasonable extra cost **you** necessarily incur to make temporary repairs or expedite the permanent repair or replacement of the damaged property.

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## EXCLUSIONS THAT APPLY TO PROPERTY COVERAGES

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With regard to the coverage provided by this endorsement, the following exclusions apply in addition to the **Exclusions** found elsewhere in this Policy for **Coverages A, B, C, D, and E**:

**We** will not pay for a loss caused directly or indirectly by or resulting from any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss:

1. Wear and tear, including damage caused by marring, deterioration, inherent vice, latent defect, rust, corrosion, erosion, contamination, or smog.

However, **we** will pay for a **residence breakdown** that ensues from wear and tear, including damage caused by marring, deterioration, inherent vice, latent defect, rust, corrosion, erosion, contamination, or smog.

2. Specified Perils:
  - a. fire;
  - b. lightning;
  - c. windstorm;
  - d. hail;
  - e. explosion;
  - f. riot or civil commotion;
  - g. vehicles;
  - h. smoke;
  - i. vandalism or malicious mischief;
  - j. theft;
  - k. falling objects;
  - l. weight of ice, snow or sleet;
  - m. freezing;
  - n. water, except as provided in this endorsement under Sump Overflow Incidental Property Coverage;
  - o. steam; or
  - p. collapse.

However, **we** will pay for a **residence breakdown** if fire; explosion; riot or civil commotion; vehicles; smoke; vandalism or malicious mischief; or theft occurs away from the **insured location** shown in the **Declarations** and causes an electrical surge or other electrical disturbance that comes through utility transmission lines.

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## HOW MUCH WE PAY FOR LOSS OR CLAIM - EQUIPMENT BREAKDOWN

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The following provision applies to the coverage provided by this endorsement in addition to the provisions in **HOW MUCH WE PAY FOR LOSS OR CLAIM**:

1. **Limit of Liability:**

The most **we** will pay for any **one residence breakdown** covered by this endorsement is **\$100,000** or the **Equipment Breakdown Limit of Insurance** shown in the **declarations**, whichever is greater. This amount is part of not in addition to the applicable Limit of Liability shown in the **Declarations**.
2. **Deductible:**

Subject to the Limit of Liability in **1.** above, **we** will only pay that part of the total for all loss payable under this endorsement that exceeds the applicable deductible shown in the **Declarations**. However, if an **Equipment Breakdown Deductible** is shown in the **Declarations**, **we** will only pay that part of

the total for all loss payable under this endorsement that exceeds the Equipment Breakdown Deductible.

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## **OTHER HOMEOWNERS EQUIPMENT BREAKDOWN CONDITIONS - COVERAGES A, B, C, D, AND E**

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The following provision applies to the coverage provided by this endorsement in addition to the provisions in **HOW MUCH WE PAY FOR LOSS OR CLAIM – EQUIPMENT BREAKDOWN**:

1. **Environmental, Safety, and Efficiency Improvements** -- If **residence covered equipment** requires replacement due to a **residence breakdown**, we pay **your** additional cost to replace with equipment that is better for the environment, safer, or more efficient than the equipment being replaced.

However, **we** do not pay more than 150% of what the cost would have been to repair or replace with like kind and quality.

This condition does not increase any of the applicable Limit of Liability. This condition does not apply to any property which is covered on an **Actual cash value** basis.

2. If a loss covered under this endorsement is also covered elsewhere in this Policy, the coverage provided by this endorsement is excess over any amount covered elsewhere in the Policy.