

EQUIPMENT BREAKDOWN ENHANCEMENT ENDORSEMENT

Schedule of Limits and Deductibles	
Equipment Breakdown Coverage Per Occurrence Limit	\$100,000
Equipment Breakdown Coverage Per Occurrence Deductible	\$500

The **FO-2 Ed 1.0**, **FO-3 Ed 1.0** and **FO-20 Ed 1.0** are amended to include the following "terms" outlined herein. All other "terms" of the policy apply, except as amended by this endorsement.

EQUIPMENT BREAKDOWN COVERAGE

"We" cover direct physical loss to covered property on the "insured premises" that is caused by an "equipment breakdown" except as provided under the Incidental Property Coverage for Off-Premises Coverage. The Equipment Breakdown Coverage Per Occurrence Limit shown in the Schedule of Limits and Deductibles above is the most "we" pay for any one loss. This is regardless of the number of "equipment breakdowns".

DEFINITIONS

With respect to the coverage provided by this endorsement only, the following Definitions are added:

1. "Equipment breakdown" means:

a. physical loss or damage both originating 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 forming part of a fire protective system; 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 conditioning system used for cooling, humidifying or space heating purposes

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

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.

However, "equipment breakdown" will not mean:

a. physical loss or damage caused by or resulting from any of the following listed below. However, if loss or damage not otherwise excluded results, then "we" will pay for such 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; or

7) scratching and marring.

b. loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

- 1) fire;
- 2) lightning;
- 3) combustion explosion;
- 4) windstorm or hail;
- 5) weight of snow, ice or sleet;
- 6) freezing;
- 7) falling objects;
- 8) smoke;
- 9) aircraft or vehicles;
- 10) riot or civil commotion;
- 11) vandalism or malicious mischief;
- 12) collapse;
- 13) sinkhole collapse;
- 14) theft;
- 15) volcanic action;
- 16) leakage from fire extinguishing equipment;
- 17) water;
- 18) water damage;
- 19) earth movement; and
- 20) flood.

2. "Green" as used herein means products, materials, methods and processes certified by a "green authority" that:

- a. conserve natural resources;
- b. reduce energy or water consumption;
- c. avoid toxic or other polluting emissions; or
- d. otherwise minimize environmental impact.

3. "Green authority" as used herein means an authority on "green" buildings, products, materials, methods or processes certified and accepted by one of the following organizations:

- a. Leadership in Energy and Environmental Design (LEED®);
- b. Green Building Initiative Green Globes®;
- c. Energy Star Rating System; or
- d. any other recognized "green" rating system.

PROPERTY COVERAGES

INCIDENTAL PROPERTY COVERAGES

With respect to the coverage provided by this endorsement only, the following Incidental Property Coverages are added as a part of and not in addition to the Equipment Breakdown Coverage Per Occurrence Limit per loss:

1. Expediting Expense

a. "we" will pay for the expediting expense loss caused by an "equipment breakdown". The loss must result from a loss with respect to your damaged personal property. "We" will pay the "reasonable cost" to:

- 1) make temporary repairs;
- 2) expedite permanent repairs; and
- 3) expedite permanent replacement.

b. "reasonable cost" means the extra cost of temporary repair and of expediting the repair of "your" damaged property. This includes overtime and the extra cost of express or other rapid means of transportation.

The most "we" will pay for loss or damage under this Incidental Property Coverage is \$10,000.

2. **Refrigerated Property** -- "We" pay for loss of perishable goods due to spoilage resulting from; lack of power, light, heat, steam, or refrigeration. This must be caused by an "equipment breakdown" to personal property covered by this policy.

The most "we" will pay for loss or damage under this Incidental Property Coverage is \$10,000.

3. **"Pollutant" Clean Up and Removal** – "We" pay for "pollutant" clean up and removal for loss caused by an "equipment breakdown".

The most "we" will pay for loss or damage under this Incidental Property Coverage is \$10,000.

4. **Off – Premises Coverage** -- "We" will pay for loss or damage to covered property caused by an "equipment breakdown" while temporarily at a premises or location that is not a "insured premises". This coverage does not apply to any "motorized vehicle".

The most "we" will pay for loss or damage under this Incidental Property Coverage is \$10,000.

PERILS SECTION – COVERAGES A, B, C, AND D

"We" cover risks of direct physical loss or damage caused by an "equipment breakdown" to covered property. "We" will not provide coverage if the loss is limited or caused by a peril that is excluded.

FO-2 Ed 1.0 DWELLING COVERAGE–BROAD FORM

With respect to the coverage provided by this endorsement only, the following peril is added:

1. **"Equipment breakdown"**

With respect to the coverage provided by this endorsement only, the following peril is deleted and replaced with:

17. **Sudden and Accidental Damage from Artificially Generated Electrical Currents**

FO-3 Ed 1.0 DWELLING COVERAGE–SPECIAL FORM

Coverage A – Residence And Coverage B – Related private Structures.

With respect to the coverage provided by this endorsement only, the following peril is added:

1. **"Equipment breakdown"**
Coverage C – Personal Property

With respect to the coverage provided by this endorsement only, the following peril is added:

1. **"Equipment breakdown"**

With respect to the coverage provided by this endorsement only, the following peril is deleted and replaced with:

17. **Sudden and Accidental Damage from Artificially Generated Electrical Currents**

HOW MUCH WE PAY FOR LOSS OR OCCURRENCE

With respect to the coverage provided by this endorsement only, 2. **Deductible** is deleted and replaced with:

2. **Deductible**

- a. the Equipment Breakdown Coverage Per Occurrence Deductible shown in the Schedule above applies to all coverages provided by this endorsement.
- b. subject to the Equipment Breakdown Coverage Per Occurrence Limit set forth by this endorsement, "we" pay that part of the loss, damage, or expense over the deductible. Only one deductible applies at each location.

GENERAL EXCLUSIONS

With respect to the coverage provided by this endorsement only, the following General Exclusion is deleted and replaced with:

11. **Wear And Tear** -- "We" do not pay for loss which results from wear and tear, marring, deterioration, inherent vice, latent defect, rust, wet or dry rot, corrosion, mold, contamination or smog.

OTHER CONDITIONS

With respect to the coverage provided by this endorsement only, the following Other Conditions are added:

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

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

This Policy Condition does not increase any of the applicable "limits". This condition does not apply to any property that is subject to the actual cash value Loss Settlement Terms.

2. **Green Environmental, Safety, and Efficiency Improvements** -- If covered property requires repair or replacement due to an "equipment breakdown", "we" will pay;
 - a. the additional cost to repair or replace that property with equipment that is better for the environment, safer, or more efficient than the equipment being repaired or replaced.
 - b. the additional reasonable and necessary fees incurred by the "insured" for an accredited professional certified by a "green authority" to participate in the repair or replacement of physically damaged covered property as "green".
 - c. the additional reasonable and necessary cost incurred by the "insured" for certification or recertification of the repaired or replaced covered property as "green".
 - d. the additional reasonable and necessary cost incurred by the "insured" for "green"

in the removal, disposal or recycling of damaged covered property.

- e. the additional living costs and loss of rent (if covered within the policy to which this Equipment Breakdown Enhancement Endorsement) loss during the additional time required for repair or replacement of covered property, consistent with "green", in the coverages above.

However, "we" will not pay more than 150% of what the cost would have been to repair or replace such property with like kind and quality inclusive of fees, costs, and any additional living costs and loss of rent loss incurred as stated above.

These Other Condition will be part of, and not in addition to, the Equipment Breakdown Coverage Per Occurrence Limit per loss or any other sublimits of this endorsement.

LOSS SETTLEMENT PROVISIONS

With respect to the coverage provided by this endorsement only, under Property Coverages, the Loss Settlement Provisions are deleted and replaced by the following:

Subject to the "terms" shown under How Much We Pay for Loss or Claim, "we" settle losses according to the Replacement Cost Terms.

Replacement Cost Terms -- The smaller of the following amounts is used in applying the "terms" under the Equipment Breakdown Coverage Per Occurrence Limit:

1. The cost, at the time of loss, to replace the lost or damaged part of the property without deduction for depreciation;
2. The cost, at the time of loss, to repair the damaged part of the property; or
3. The amount "you" actually spend that is necessary to repair or replace damaged property.