

THIS IS A LEGAL CONTRACT  
-- PLEASE READ THIS CAREFULLY --

## EQUIPMENT BREAKDOWN ENHANCEMENT ENDORSEMENT

(Entries required to complete the Schedule will be shown below or on the "declarations".)

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

This policy is amended to include the following "terms" outlined herein. All other "terms" of the Property Coverages section of the policy apply, except as amended by this endorsement.

### EQUIPMENT BREAKDOWN COVERAGE

"We" cover direct physical loss to covered property on the "described location" 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, regardless of the number of "equipment breakdowns".

### DEFINITIONS

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:

Physical loss or damage caused by or resulting from any of the following; 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;
  - 7) scratching and marring;
  - 8.) Loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:
 

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, freezing, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water, water damage, earth movement and flood.
2. "Green" means products, materials, methods and processes certified by a "green authority" that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.
  3. "Green authority" means an authority on "green" buildings, products, materials, methods or processes certified and accepted by Leadership in Energy and Environmental Design (LEED®), "green" Building Initiative Green Globes®, Energy Star Rating System or any other recognized "green" rating system.

4. "Motor vehicle" means any self-propelled land or amphibious vehicle.

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## PROPERTY COVERAGES

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### INCIDENTAL PROPERTY COVERAGES

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

#### 1. Expediting Expense

When an "equipment breakdown" results in damage to covered property, "we" pay the "reasonable cost" to:

- a. make temporary repairs;
- b. expedite permanent repairs; and
- c. expedite permanent replacement.

"Reasonable cost" means the extra cost of temporary repair and of expediting the repair of "your" damaged property, including 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 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 resulting from 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 resulting from a covered "equipment breakdown" while temporarily at a premises or location that is not a "described location". This coverage does not apply to any "motor vehicle".

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

**PERILS INSURED AGAINST—COVERAGES A, B, C, AND D**

"We" cover risks of direct physical loss or damage caused by or resulting from an "equipment breakdown" to covered property unless the loss is limited or caused by a peril that is excluded.

Under the **HO 0002 BROAD FORM**, the following **Perils Insured Against — A, B, C, And D** is deleted and replaced with:

**p. Sudden and Accidental Damage from Artificially Generated Electrical Currents--**

Under the **HO 0003 BROAD FORM**, the following

**1. a. Exclusions That Apply To Coverage A And B** are deleted and replaced with:

- 12) Wear And Tear –** "We" do not pay for loss caused by:
- a) wear and tear, marring, or deterioration;
  - b) latent defect, inherent vice, or any quality, fault, or weakness in property that causes it to damage or destroy itself;
  - c) rust or other corrosion or smog; or
  - d) pressure from or the presence of roots of trees, plants shrubs, or other vegetation.

Under the **HO 0003 BROAD FORM**, the following **2. Coverage C – Personal Property** are deleted and replaced with:

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

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**HOW MUCH WE PAY**

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**FOR LOSS OR OCCURRENCE**

1. Under 1. **Property Coverages**, b. **Deductible** is deleted and replaced by the following with respect to the coverage provided by this endorsement.

**b. Deductible**

- 1) The Equipment Breakdown Coverage Per "Occurrence" Deductible shown in the Schedule above applies to all coverages provided by this endorsement.
- 2) 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.

2. Under 1. **Property Coverages**, d. **Loss Settlement Terms** are deleted and replaced by the following with respect to the coverage provided by this endorsement.

**e. Loss Settlement Terms --** Subject to the other "terms" shown under How Much We Pay For Loss Or "Occurrence" and the "terms" of this endorsement, "we" settle losses according to the Replacement Cost Terms.

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

- a) the cost, at the time of loss, to replace the lost or damaged part of the property, without deduction for depreciation; or
- b) the cost, at the time of loss, to repair the damaged part of the property.

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**POLICY CONDITIONS**

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**CONDITIONS APPLICABLE TO PROPERTY COVERAGES ONLY**

The following Policy Conditions are added with respect to the coverage provided by this endorsement.

**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 Policy Conditions will be part of, and not an addition to, the Equipment Breakdown Coverage Per "Occurrence" "Limit" per loss or any other sublimits of this endorsement.