

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EQUIPMENT BREAKDOWN ENHANCEMENT ENDORSEMENT**

This endorsement modifies insurance provided under the following:

- BUILDING AND PERSONAL PROPERTY COVERAGE – FORM CP 00 10 10 12**
- CAUSES OF LOSS – BASIC FORM CP 10 10 10 12**
- CAUSES OF LOSS – SPECIAL FORM CP 10 30 10 12**

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

**A. Coverage**

**4. Additional Coverages**

The following **Additional Coverages** are added as a part of and not in addition to the limit per loss:

**g. Pollutant Clean Up and Removal**

We will pay for the Pollutant Clean Up and Removal for loss resulting from an “Equipment Breakdown”. The most we will pay for the Pollutant Clean Up and Removal is \$250,000 unless another limit is provided by the Deductible and Limits Exceptions Schedule to which this endorsement can be attached. In that case, the limit provided by the Deductible and Limits Exceptions Schedule will apply.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of “pollutants”. But we will pay for testing which is performed in the course of extracting the “pollutants” from the land or water.

**h. Expediting Expenses**

We will pay for the expediting expense loss resulting from an “Equipment Breakdown” with respect to your damaged Covered Property. We will pay the “reasonable extra cost” to:

- (1) Make temporary repairs;
- (2) Expedite permanent repairs; and
- (3) Expedite permanent replacement

“Reasonable extra cost” shall mean the

extra cost of temporary repair and of expediting the repair of such damaged equipment of the insured, including overtime and the extra cost of express or other rapid means of transportation.

**i. Refrigerant Contamination**

We will pay the loss from contamination by refrigerant used in refrigerating, cooling or humidity control equipment at the described premises as a result of an “Equipment Breakdown”.

The most we will pay for Refrigerant Contamination is

\$250,000 unless another limit is provided by the Deductible and Limits Exceptions Schedule to which this endorsement can be attached. In that case, the limit provided by the Deductible and Limits Exceptions Schedule will apply.

**j. Spoilage**

We will pay for loss of “perishable goods” due to spoilage resulting from lack of power, light, heat, steam or refrigeration caused by an “Equipment Breakdown”.

However, we will not pay for any 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 or flood.

The most we will pay for Spoilage is \$250,000 unless another limit is provided by the Deductible and Limits Exceptions Schedule to which this endorsement can be attached. In that case, the limit provided by the Deductible and Limits Exceptions Schedule will apply

**k. CFC Refrigerants**

We will pay for the “additional costs” to repair or replace Covered Property because of the use or presence of a refrigerant containing CFC (chlorofluorocarbon) substances.

“Additional costs” mean those in excess of what would have been required to repair or replace covered property, had no CFC refrigerant been involved. We also pay for additional loss as described under the Spoilage or Loss of Income Coverages provided by this endorsement, caused by the presence of a refrigerant containing CFC substances.

We pay no more than the least of the following:

- (1) The cost to repair the damaged property and replace any lost CFC refrigerant;
- (2) The cost to repair the damaged property, retrofit the system to accept a non-CFC refrigerant, and charge the system with a non-CFC refrigerant; or
- (3) The cost to replace the system with one using a non-CFC refrigerant.

**l. Computer Equipment**

We will pay for loss or damage to your “computer equipment” caused by an “Equipment Breakdown”.

**m. Service Interruption**

Any insurance provided for Business Income, Extra Expense, Spoilage or Data Restoration is extended to apply to your loss, damage or expense caused by an “Equipment Breakdown” to equipment that is owned by a utility, landlord or other supplier with whom you have a contract to

supply you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks, “cloud computing” or data transmission. The equipment must meet the definition of “Equipment Breakdown” except that it is not Covered Property.

**n. Data Restoration**

We will pay for your reasonable and necessary cost to research, replace and restore the lost information on electronic media and records as a result of an “Equipment Breakdown”.

The most we will pay for Data Restoration is \$100,000.

**o. Temperature Fluctuation**

We will pay for loss of “perishable goods” only caused by or resulting from any condition or event to Covered Property that can be resolved by calibrating, resetting, tightening, adjusting or cleaning.

However, we will not pay for loss of “perishable goods” as a result of resetting the power supply to the Covered Property containing the “perishable goods”.

The most we will pay for this Temperature Fluctuation is \$5,000 including any insurance provided for Business Income or Extra Expense.

**p. Unauthorized Instruction**

We will pay for loss or damage to your “computer equipment” caused by an “unauthorized instruction” which results in an “equipment breakdown”.

“Unauthorized instruction” means a virus, harmful code or similar instruction introduced into or enacted on a computer system or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation.

**q. Risk Improvement**

If Covered Property suffers direct physical

loss or damage due to an “equipment breakdown”, we will pay for the insured to improve the “power quality” of the electrical system or equipment at the loss location where the “equipment breakdown” occurred. “Power quality” means the conditions that allow electrical systems or equipment to operate as intended by limiting voltage fluctuations and other power influences that would adversely affect the operational performance and/or reduce the reliability, or the life-span of the electrical system.

We will pay the reasonable extra cost to improve “power quality” for the following electrical systems and/or equipment improvements:

- (1) Installation of surge protection devices (SPD's) which are installed at the loss location's line disconnect, load disconnect, or on specific pieces of equipment and that are certified by Underwriter Laboratories (UL) or has an equivalent certification.

However SPD's do not include any SPD's which are cord-connected surge strips, direct plug-in SPD's or receptacle SPD's;

- (2) An upgrade and/or replacement of; electrical panels, switchgear and/or circuit breakers; or
- (3) Electrical wire and wiring improvements which include installation of; flexible conduit, junction boxes and/or ground wiring.

We will not pay more than 10%, to a maximum limit of \$10,000, of the loss amount paid. An invoice for implementation of this Additional Coverage must be sent to us within 180 days after the payment of the loss is received.

#### r. **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 premises.

The most we will pay for Off-Premises Coverage is \$25,000.

#### F. **Additional Conditions**

The following **Additional Conditions** are added:

##### 3. **Suspension**

Whenever Covered Property is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss to that Covered Property for the perils covered by this endorsement. Coverage can be suspended and possibly reinstated by delivering or mailing a written notice of suspension / coverage reinstatement to:

- a. Your last known address; or
- b. The address where the property is located.

If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

##### 4. **Jurisdictional Inspections**

If any Covered Property under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

##### 5. **Environmental, Safety and Efficiency Improvements**

If Covered Property requires replacement due to an “Equipment Breakdown”, we will pay your additional cost to replace with equipment that is better for the environment, safer, or more energy 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 with like kind and quality. This Condition does not apply to any property to which Actual Cash Value applies.

##### 6. **Green Environmental and Efficiency Improvements**

If Covered Property requires repair or

replacement due to an “Equipment Breakdown”, we will pay:

- a. The lesser of the reasonable and necessary additional cost incurred by the Insured to repair or replace physically damaged Covered Property with equipment of like kind and quality which qualifies as “Green”. “Like kind and quality” includes similar size and capacity.
- 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 business interruption (if covered within the Policy to which this Equipment Breakdown Enhancement Endorsement is attached) loss during the additional time required for repair or replacement of Covered Property, consistent with “Green”, in the coverages above.

We will not pay more than 150%, to a maximum limit of \$100,000, of what the cost would have been to repair or replace with equipment of like kind and quality inclusive of fees, costs, and any business interruption loss incurred as stated above.

**Green Environmental and Efficiency Improvements** does not cover any of the following:

- a. Covered Property does not include stock, raw materials, finished goods, “production machinery”, merchandise, electronic data processing equipment not used in the functional support of the real property, process water, molds and dies, property in the open, property of others for which the

Insured is legally liable, or personal property of others.

- b. Any loss adjusted on any valuation basis other than a repair or replacement basis as per the Valuation section of this policy.
- c. Any loss covered under any other section of this policy.
- d. Any cost incurred due to any law or ordinance with which the Insured was legally obligated to comply prior to the time of the “Equipment Breakdown”.

## H. DEFINITIONS

The following **Definitions** are added:

4. “Cloud computing” means on-demand network access to a shared pool of computing resources via networks, servers, storage, applications and services provided by an organization with whom you have a contract with using the following service models: Software as a Service (SaaS), Platform as a Service (PaaS) and Infrastructure as a Service (IaaS) on the following deployment models: public cloud, community cloud, hybrid cloud and private cloud.
5. “Computer equipment” means Covered Property that is electronic computer or other data processing equipment, including peripherals used in conjunction with such equipment and electronic media and records.
6. “Electronic equipment” means devices which operate using many small electrical parts such as, but not limited to, microchips, transistors or circuits.
7. “Electronic equipment deficiency” means the quality or condition inside of “electronic equipment” which renders this equipment unexpectedly inoperable and which is operable again once a piece of “electronic equipment” has been replaced.

However, “electronic equipment deficiency” will not include replacement of “electronic equipment” for any condition that could have been resolved without replacement of the “electronic equipment” including but not

limited to “computer equipment” maintenance or the reinstallation or incompatibility of software.

8. “Equipment Breakdown” as used herein means:
- a. Physical loss or damage both originated within:
    - (1) Boilers, fired and unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other static pressure of contents, excluding:
      - (a) Waste disposal piping;
      - (b) Any piping forming part of a fire protective system;
      - (c) Furnaces; and
      - (d) Any water piping other than:
        - (i.) Boiler feed water piping between the feed pump and the boiler;
        - (ii.) Boiler condensate return piping; or
        - (iii.) Water piping forming part of a refrigerating or air conditioning system for cooling, humidifying or space heating purposes.
    - (2) All mechanical, electrical, “electronic equipment” or fiber optic equipment; and
  - b. Caused by, resulting from, or consisting of:
    - (a) Mechanical breakdown;
    - (b) Electrical or electronic breakdown and “electronic equipment deficiency”; or
    - (c) 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; 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) Dampness or dryness of atmosphere; or
  - (8) Marring or scratching.
- b. 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.

9. “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.

10. “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.

- 11. “Perishable goods” means stock preserved and maintained under controlled conditions and susceptible to loss or damage if the controlled conditions change.
- 12. “Production machinery” means any machine which processes, forms, shapes, or transports raw materials, materials in process, waste materials or finished products.

**CAUSES OF LOSS – BASIC FORM**

**A. Covered Causes of Loss**

The following **Covered Causes of Loss** is added:

- 12. “Equipment Breakdown”.

**B. Exclusions**

The following **Exclusions** do not apply:

**B.2.d.** and **B.2.e.**

The following Exclusions are deleted and replaced with the following:

- a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
  - (1) Electrical or electronic wire, device, appliance, system or network; or
  - (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

However, if damage results causing an “Equipment Breakdown”, we will pay for the loss or damage caused by that “Equipment

Breakdown”.

**CAUSES OF LOSS - SPECIAL FORM**

**A. Covered Causes of Loss**

**Covered Causes of Loss** also means “Equipment Breakdown”.

**B. Exclusions and Limitations**

The following **Exclusions** and **Limitations** do not apply:

Exclusions **B.2.d. (6)** and **B.2.e;**

Limitations **C.1.a.** and **C.1.b.**

The following Exclusions are deleted and replaced with the following:

- a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
  - (1) Electrical or electronic wire, device, appliance, system or network; or
  - (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

However, if damage results causing an “Equipment Breakdown”, we will pay for the loss or damage caused by that “Equipment Breakdown”.

**G. Definitions**

The following is added to the “Specified Causes of Loss” definition:

Specified Causes of Loss" also means “Equipment Breakdown”.