

PLEASE READ THIS ENDORSEMENT CAREFULLY, AS IT MODIFIES THE POLICY.

EQUIPMENT BREAKDOWN COVERAGE – DWELLING

With regard only to the coverage provided by this endorsement, “your” policy is amended as indicated.

“You”, “your”, “we”, “us”, and “our” retain their defined meanings in this endorsement whether or not they are presented in quotation marks in the policy.

A. COVERAGES

This section lists the coverages that apply to “covered equipment” that is damaged as a direct result of an “accident”. “We” will pay only for that portion of the loss, damage, or expense that is solely attributable to the “accident”, subject to the limits stated below for each coverage:

1. Equipment Breakdown Coverage

“We” will pay for direct physical damage to “covered equipment” that is the direct result of an “accident”. The most “we” pay for any “one accident” is \$100,000.

2. Loss of Use

If an “accident” makes that part of the “residence premises” where “you” reside not fit to live in, “we” cover the following:

- a. Additional Living Expense, meaning any necessary increase in living expenses incurred by “you” so that “your” household can maintain its normal standard of living; and
- b. Loss of Rent, meaning the rent “you” lose or the fair rental value of that part of the “residence premises” rented to others less any expenses that do not continue while the premises is not fit to live in.

Payment under **a.** or **b.** will be for the shortest time required to repair or replace the damage.

The most “we” will pay for loss or expense per “accident” under this coverage is \$10,000. “We” do not cover loss or expense due to cancellation of a lease or agreement. This coverage does not increase the Equipment Breakdown limit for any “one accident”.

The limit shown on the Declarations for Loss of Use, Additional Living Expense, and/or Loss of Rent, if any, does not apply to the coverage provided by this endorsement.

3. Refrigerated Products

With respect to “your” refrigerated property located on the “residence premises”, “we” will pay:

- a. For physical damage due to “spoilage” that is the result of an “accident”;
- b. Any necessary expenses “you” incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

The most “we” will pay for loss or damage under this coverage is \$10,000. This coverage does not increase the Equipment Breakdown limit for any “one accident”.

4. Expediting Expenses

With respect to “your” “covered equipment” that is damaged as the result of an “accident”, “we” will pay the reasonable extra cost to:

- a. Make temporary repairs; and
- b. Expedite permanent repairs or permanent replacement.

Any payment made under **4. Expediting Expenses** does not increase the Equipment Breakdown limit for any “one accident”.

5. Pollutant Clean Up and Removal

“We” pay for pollutant clean up and removal for loss resulting from an “accident”. The most “we” will pay for loss or damage under this coverage is \$10,000 per policy period. This coverage does not increase the Equipment Breakdown limit for any “one accident”.

6. Off-Premises Coverage

With respect to “your” “covered equipment” that is damaged as the result of an “accident”, “we” will pay for any loss while temporarily at a premises or location that is not at a “dwelling” described in the Declarations.

The most “we” will pay for loss or damage under this coverage is \$10,000. This coverage does not increase the Equipment Breakdown limit for any “one accident”.

Any payment made under this Equipment Breakdown Coverage will not be increased if more than one “insured” is shown in the Declarations.

B. DEDUCTIBLE

“We” will not pay for loss, damage, or expense resulting from any “one accident” until the amount of loss, damage, or expense exceeds \$500. “We” will then pay the amount of loss, damage, or expense in excess of the deductible, subject to the applicable limit.

C. EXCLUSIONS

The following exclusions are added, only if they are not currently stated in “your” policy:

“We” will not pay for any excluded loss, damage, or expense, even though any other cause or event contributes concurrently or in any sequence to the loss, damage, or expense.

1. “We” will not pay for loss, damage, or expense caused directly or indirectly by any of the following, whether or not caused by or resulting from an “accident”:

a. Fire and Explosion

(1) Fire, including smoke from a fire.

(2) Combustion explosion. This includes, but is not limited to, a combustion explosion of any steam boiler or other fired vessel.

(3) Any other explosion.

b. Ordinance or Law

The enforcement of, or change in, any ordinance, law, regulation, rule, or ruling regulating or restricting repair, replacement, alteration, use, operation, construction, or installation.

c. Earth Movement

Earth movement, whether natural or human-made, including but not limited to earthquake, shock, tremor, subsidence, landslide, rock fall, earth sinking, sinkhole collapse, or tsunami.

d. Nuclear Hazard

Nuclear reaction, detonation, or radiation, or radioactive contamination, however caused.

e. War and Military Action

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, political violence, or action taken by governmental authority in hindering or defending against any of these.

f. Water Damage

(1) Flood, surface water, waves, overflow of any body of water, or their spray, regardless of cause and whether or not driven by the wind;

(2) Tsunami, storm surge, tidal wave, tidal water, storm tide, or their spray, whether or not driven by wind or caused by earthquake;

(3) Mudslide or mudflow;

(4) Water or water-borne material which backs up or overflows from sewers or drains or which overflows or is discharged from a sump, sump pump, or related equipment;

(5) Water or water-borne material below the ground surface pressing on, or flowing or seeping through:

- (a) Foundations, patios, walls, floors, or paved surfaces;
- (b) Basements, whether finished or not; or
- (c) Doors, windows, or other openings; or

(6) Damage to piers, docks, or boat hoists caused by waves, whether or not driven by wind.

This exclusion f. applies, whether or not the loss is caused by or resulting from:

- (i) Human or animal forces or any act of nature; or
- (ii) The failure of any dam, levee, seawall, or any other boundary or containment system.

g. Failure to Protect Property

“Your” failure to use all reasonable means to protect “covered equipment” from damage following an “accident”.

2. “We” will not pay for an “accident” caused by or resulting from any of the following causes of loss:

- a. Lightning.
 - b. Windstorm or Hail. However, this exclusion does not apply when:
 - (1) “Covered equipment” located within a building or structure suffers an “accident” that results from wind-blown rain, snow, sand, or dust; and
 - (2) The building or structure did not first sustain wind or hail damage to its roof or walls through which the rain, snow, sand, or dust entered.
 - c. Collision or any physical contact caused by a “motor vehicle”, “recreational vehicle”, “mobile farm machinery or equipment”, or for damage caused by objects falling from aircraft.
 - d. Riot or Civil Commotion.
 - e. Leakage or discharge of any substance from an automatic sprinkler system, including collapse of a tank that is part of the system.
 - f. Volcanic Action.
 - g. Water or other means intended to extinguish a fire, even when such an attempt is unsuccessful.
 - h. Elevator collision.
 - i. Falling Objects.
 - j. Weight of Snow, Ice, or Sleet.
 - k. Discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance containing water or steam.
 - l. Collapse.
 - m. Breakage of Glass.
 - n. Freezing caused by cold weather.
3. “We” will not pay for:
- a. Loss, damage, or expense caused by or resulting from depletion, deterioration, rust, corrosion, erosion, settling, or wear and tear or other gradually developing condition. But if an “accident” results, “we” will pay for the resulting loss, damage or expense.
 - b. Loss or damage to any property that is not “covered equipment”.

D. LOSS SETTLEMENT

Losses under this endorsement will be settled as follows:

- 1. “Our” payment for damage to “covered equipment” will be the cost of repair or replacement, without deduction for depreciation, but not exceeding the smallest of:
 - a. The cost to repair the damaged property;
 - b. The cost to replace the damaged property on the same site; or
 - c. The amount “you” actually spend that is necessary to repair or replace the damaged property.

2. Except as described in paragraph 3. below, "you" must pay the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.

3. Environmental, Safety, And Efficiency Improvements

If "covered equipment" must be replaced due to an "accident", "we" pay the additional cost to replace such "covered equipment" with equipment that "we" agree is better for the environment, safer for people, or more energy efficient than the equipment being replaced, subject to the following conditions:

- a. "We" will not pay more than 150% of what the cost would have been to replace with like kind and quality. This condition does not increase any of the applicable limits; and
- b. This provision does not apply to the replacement of component parts.

4. If "you" do not repair or replace the damaged property within 24 months after the date of the "accident", then "we" will settle on the basis of actual cash value.

E. DEFINITIONS

1. **"Accident"** means sudden and accidental:

- a. Mechanical or electrical breakdown; or
- b. Tearing apart, cracking, burning, or bulging of a steam or hot water heating system, or an air conditioning system; that results in direct physical damage to "covered equipment".

"We" pay for an ensuing loss to "covered equipment" that is caused by an "accident" that is covered under this endorsement.

2. **"Covered Equipment"**

a. "Covered Equipment" means property that:

- (1) "You" own or that is in "your" care, custody, or control and for which "you" are legally liable;
- (2) Is an integral part of a "dwelling" or other private structure appurtenant to a "dwelling", or that is permanently mounted on or in a "dwelling"; or
- (3) Is personal property; and
- (4) That generates, transmits, or utilizes energy; or which during normal usage operates under vacuum or pressure, other than the weight of its contents.

Such equipment must be located at the "dwelling" described in the Declarations, except as provided under **A.6.**

b. None of the following is "covered equipment":

- (1) Supporting structures, cabinets, or compartments;
- (2) Insulating material associated with "covered equipment";
- (3) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
- (4) Piping, vessel, wiring, or tubing that is buried or encased in earth, concrete, or other material, whether above or below grade, or in an enclosure which does not allow access or inspection or repair;
- (5) Water piping other than boiler feedwater piping, boiler condensate return piping, or water piping forming a part of a refrigerating or air conditioning system;
- (6) Software or electronic data;
- (7) A "motor vehicle";
- (8) A "recreational vehicle"; or
- (9) "Mobile farm machinery or equipment".

3. **"Dwelling"** means a building used primarily for residential purposes, and includes mobile homes and modular and prefabricated homes. "Dwelling" does not mean a building used in agricultural operations or for storage of farm produce, livestock or poultry.

4. **"Motor Vehicle"** means a motorized land vehicle designed for travel on public roads or subject to motor vehicle registration or a compulsory financial responsibility law or regulation issued by government agency; or a trailer or semi-trailer designed for travel on public roads or subject to vehicle registration.

5. **"One Accident"** means all "accidents" occurring at the same time from the same event. If an "accident" causes other "accidents", all will be considered "one accident".

6. **“Recreational vehicle”** means a motorized land vehicle designed or used for recreational use off public roads, including but not limited to:
 - a. A snowmobile;
 - b. An all-terrain vehicle, meaning a motorized vehicle equipped with balloon tires or crawler-treads, designed for use on rugged terrain, or rugged terrain and water;
 - c. An all-material transport vehicle, meaning a motorized vehicle equipped with a rear utility box to transport material, four or more wheels, a steering wheel, and bench or bucket seating; or
 - d. A motorized golf cart.
7. **“Residence Premises”** means:
 - a. The one- to four-family “dwelling” where “you” reside in at least one of the family units and which is described in the Declarations, including the immediate grounds not used for farming;
 - b. The condominium unit described in the Declarations which is occupied by “you”; or
 - c. A “dwelling” that is rented, or held for rental, to others.
8. **“Spoilage”** means any detrimental change in state. This includes but is not limited to thawing of frozen goods, warming of refrigerated goods, or freezing of fresh goods.
9. **“Mobile farm machinery or equipment”** meaning any motorized land vehicle designed for use on or off public roads including but not limited to tractors, combines, loaders, bulldozers, including implements and attachments for use with these including but not limited to plows, cutting heads, discs, sprayers, manure agitators or spreaders and bag filling apparatus.

All other terms and conditions of this policy apply.