

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 0010

CONDOMINIUM ASSOCIATION COVERAGE FORM – CP 0017

CONDOMINIUM UNIT-OWNERS COVERAGE FORM – CP 0018

CAUSES OF LOSS - BASIC FORM – CP 1010

CAUSES OF LOSS – BROAD FORM – CP 1020

CAUSES OF LOSS – SPECIAL FORM – CP 1030

COMMON POLICY CONDITIONS – IL 0017

A. The following changes apply to **CP 0010**, **CP 0017**, or **CP 0018**, Section **A** – Coverage:

1. The following sub-paragraphs under paragraph **4.**, Additional Coverages, are revised as follows:

a. The following is added to item **d.**, **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 loss or damage under this coverage is \$250,000 unless a higher limit for Pollutant Clean Up and Removal is provided by an endorsement to this policy. If this policy is endorsed with a higher Pollutant Clean Up and Removal limit then we will pay the higher limit.

b. The following is added to item **f.**, **Electronic Data**, of **CP 0010** or **CP 0017**:

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”.

c. The following is added to item **e.**, **Electronic Data**, of **CP 0018**:

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”.

2. The following coverages are added to paragraph **4.**, Additional Coverages:

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:

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

Reasonable extra cost shall mean the extra cost of temporary repair and of expediting the repair of the damaged Covered Property, including overtime and the extra cost of express or other rapid means of transportation which will be a part of and not an addition to the limit per loss.

Refrigerant Contamination

We will pay for the loss of Covered Property including “perishable stock” and loss to refrigerating, cooling or humidity control equipment due to contamination by a refrigerant resulting from an “equipment breakdown”.

The most we will pay for loss or damage under this coverage is \$250,000 unless a higher limit for Refrigerant Contamination is provided by an endorsement to this policy. If this policy is endorsed with a higher Refrigerant Contamination limit then we will pay the higher limit.

Spoilage Coverage

We will pay for loss of “perishable stock” due to spoilage that results from lack of power, light, heat, steam or refrigeration caused by an “equipment breakdown” that is:

- a.** Located on or within 100 feet of your described premises, or
- b.** Owned by the building owner at your described premises, or owned by a public utility.

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, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water damage, earth movement and flood.

The most we will pay for loss or damage under this coverage is \$250,000 unless a higher limit for Spoilage Coverage is provided by an endorsement to this policy. If this policy is endorsed with a higher Spoilage Coverage limit then we will pay the higher limit.

“Perishable stock” means personal property:

- a. Maintained under controlled conditions for its preservation; and
- b. Susceptible to loss or damage if the controlled conditions change.

Computer Equipment

We will pay for direct physical loss or damage to your computers as a result of an “equipment breakdown”.

3. The following coverage extensions are added to paragraph 5., Coverage Extensions:

Environmental, Safety and Efficiency Improvements

If the 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 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 increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

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. These limits will be a part of, and not an addition to, the limit of liability per loss or any other sub-limits of liability of this Policy.

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

- a. Stock, raw materials, finished goods;
- b. “Production machinery”;
- c. Merchandise;
- d. Electronic data processing equipment not used in the functional support of the real property;
- e. Process water, molds and dies;
- f. Property in the open, property of others for which the Insured is legally liable, or personal property of others;
- g. Any loss adjusted on any valuation basis other than a repair or replacement basis as per the Valuation section of this policy;

- h. Any loss covered under any other section of this policy; or
- i. 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”.

B. The following is added to **IL 0017**, Common Policy Conditions:

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 Cause of Loss covered by this endorsement. Coverage can be suspended by delivering or mailing a written notice of coverage suspension to:

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

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

Coverage may be reinstated, by any of our representatives, once the dangerous condition to the Covered Property has been corrected and inspected, by delivering or mailing a written notice of reinstatement to:

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

C. **CP 1010**, Causes of Loss - Basic Form; **CP 1020**, Causes of Loss – Broad Form, and **CP 1030**, Causes of Loss – Special Form, are revised as follows:

1. Section **A** – Covered Causes of Loss is revised to include “equipment breakdown”.
2. Section **B** – Exclusions, are revised as follows:
 - a. The following exclusions are removed from **CP 1010**, Causes of Loss – Basic Form, and not replaced:
 - 2.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.
 But if fire results, we will pay for the loss or damage caused by that fire.
 - 2.d. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control.

But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion.
 - 2.e. Mechanical breakdown, including rupture or bursting caused by centrifugal force.

But if mechanical breakdown results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
 - b. The following exclusions are removed from **CP 1020**, Causes of Loss - Broad Form and not replaced:
 - 2.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.

But if fire results, we will pay for the loss or damage caused by that fire.

- 2.b.** Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control.

But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion.

- 2.c.** Mechanical breakdown, including rupture or bursting caused by centrifugal force.

But if mechanical breakdown results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

- c.** The following exclusions are removed from **CP 1030**, Causes of Loss - Special Form, and not replaced:

- 2.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.

But if fire results, we will pay for the loss or damage caused by that fire.

- 2.d. (6)** Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

- 2.e.** Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control.

But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion.

We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- D.** The following are deleted from Section **C.**, Limitations of **CP 1030**, Covered Causes of Loss – Special Form and not replaced:

- 1.a.** Steam boilers, steam pipes, steam engines, or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- 1.b.** Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than any explosion.

- E.** For the purposes of this endorsement the following definitions are added:

- 1.** The following definition is added to **CP 1010**, Section **E**, Definitions; **CP 1020**, Section **F**, Definitions and **CP 1030**, Section **G.**, Definitions:

“Equipment breakdown” as used herein 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;
- (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 used for cooling, humidifying, or space heating purposes.

(2) 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.

c. 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 or marring;
- (8) 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 damage, earth movement and flood;
- (9) The following Causes of Loss to Personal Property:
 - (a) Dampness or dryness of atmosphere; or
 - (b) Marring or scratching.

2. The following definitions are added to **CP 0010, CP 0017, CP 0018, Section H – Definitions:**

"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.

"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.

"Production machinery" means any machine which processes, forms, shapes, or transports raw materials, materials in process, waste materials or finished products.

All other terms and conditions of this policy remain unchanged.