

This endorsement changes the Dwelling Coverage  
provided by this policy  
**--PLEASE READ CAREFULLY--**

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### **EQUIPMENT BREAKDOWN ENHANCEMENT ENDORSEMENT**

As respects this **Equipment Breakdown Enhancement Endorsement**, this endorsement changes coverage provided by the following:

**CUSTOM HOME – DWELLING COVERAGE FMH-2002 Ed 1.0**  
**SPECIAL HOME – DWELLING COVERAGE FMH-2003 Ed 1.0**  
**PERSONAL PROPERTY COVERAGE – CONTENTS FORM FMH-2004 Ed. 1.0**

Read the entire endorsement carefully to determine rights, duties and what is and is not covered.

#### **DEFINITIONS**

The following **Definitions** are added:

“Equipment Breakdown”

“Equipment Breakdown” as used herein means:

- a. Physical loss or damage both originating within:

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.  
(4) 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; 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;
- 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, freeze, 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.

"Green" as used herein 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" as used herein 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 Starr Rating System or any other recognized "Green" rating system.

## **INCIDENTAL PROPERTY COVERAGES**

The following **Incidental Property Coverages** are added:

### **1. Expediting Expense**

"We" will pay for the expediting expense loss resulting from an "Equipment Breakdown" with respect to "your" damaged Personal 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". The most "we" will pay for loss or damage

under this Incidental Coverage is \$3,000. This will be a part of and not an addition to the limit per loss.

## **2. Spoilage Coverage**

“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” to Personal Property covered by this policy. The most “we” will pay for loss or damage under this Incidental Coverage is \$3,000. This will be a part of and not an addition to the limit per loss.

## **3. 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 Incidental Coverage is \$3,000. This will be a part of and not an addition to the limit per loss.

## **PERILS SECTION – COVERAGES A, C, AND D**

### **CUSTOM HOME – DWELLING COVERAGE**

The following peril is added:

#### **18. “Equipment Breakdown”**

### **SPECIAL HOME – DWELLING COVERAGE**

#### **Coverage A – Residence**

Perils Insured Against include “Equipment Breakdown”.

#### **Coverage C – Personal Property**

The following peril is added:

#### **18. “Equipment Breakdown”**

The following peril is deleted and replaced with the following:

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

### **EXCLUSIONS THAT APPLY TO PROPERTY COVERAGES**

The following **Exclusions that Apply to Property Coverages** is deleted and replaced with the following:

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.

### **POLICY CONDITIONS AND PROPERTY COVERAGE TERMS**

### **ADDITIONAL POLICY CONDITIONS APPLICABLE TO ALL COVERAGES**

The following **Additional Policy Conditions Applicable To Property Coverages** are added:

1. **Environmental, Safety and Energy 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 125% 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. "Like kind and quality" includes similar size and capacity.

2. **"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 Additional Living Costs and Loss of Rent (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 a maximum limit of \$3,000 of what the cost would have been to repair or replace with equipment of like kind and quality inclusive of fees, costs, and any loss of use loss incurred as stated above.

These Additional Conditions 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. Furthermore, these Additional Conditions do not apply to:

- a. Any loss adjusted on any valuation basis other than a repair or replacement basis as per the Valuation section of this policy.
- b. Any loss covered under any other section of this policy.
- c. 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".

9. "Equipment Breakdown" coverage does not extend beyond the "Insured Premises".

#### **GENERAL EXCLUSIONS**

The following **General Exclusions** are deleted and replaced with the following:

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. "We" do pay for ensuing loss unless the ensuing loss itself is excluded.

All other terms and conditions of this policy remain unchanged.