

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN ENHANCEMENT ENDORSEMENT

This endorsement changes coverage provided by the following:

**HOMEOWNERS 3 – SPECIAL FORM HO 00 03 05 11
SPECIAL PROVISIONS – NEW YORK HO 01 31**

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

**“Equipment Breakdown” coverage is subject to a \$100,000 per Occurrence Limit of Liability.
“Equipment Breakdown” coverage is subject to a \$500 per Occurrence Deductible.**

DEFINITIONS

With respect to the coverage provided by this endorsement only, the following DEFINITIONS are added under **B.**:

12. “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; and
- (c)** 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) 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, wet rot, dry rot, and bacteria, 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. This includes any hardware, programs or software; or

(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, wind-storm or hail, weight of snow, ice or sleet, freezing, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism and malicious mischief, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water, water damage, earth movement and flood.

13. "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.
14. "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 Star Rating System or any other recognized "green" rating system.

SECTION I – PROPERTY COVERAGES

E. Additional Coverages

With respect to the coverage provided by this endorsement only, the following Additional Coverages are added as a part of, and not in addition to, the limit per loss:

13. Expediting Expense

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; and
- c. 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 Additional Coverage is \$10,000.

14. Spoilage Coverage

We will pay for loss of perishable goods due to spoilage resulting from lack of power, light, heat, steam or refrigeration resulting from an "equipment breakdown" to personal property covered by this policy. The most we will pay

for loss or damage under this Additional Coverage is \$10,000.

15. 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 Additional Coverage is \$10,000.

16. Off – Premises Coverage

We will pay for loss or damage to covered property resulting from an "equipment breakdown" while temporarily at a premises or location that is not a "residence premises". This coverage does not apply to any "motor vehicle". The most we will pay for loss or damage under this Additional Coverage is \$10,000.

SECTION I – PERILS INSURED AGAINST

HO 01 31 09 15

With respect to the coverage provided by this endorsement only, the following Section I – Peril Insured Against is replaced by the following:

- A. 2. c. (5) (b) Latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself;

HO 00 03 05 11

- A. Coverage A – Dwelling And Coverage B – Other Structures includes the peril of "Equipment Breakdown".

With respect to the coverage provided by this endorsement only, the following Section I – Peril Insured Against is replaced by the following:

- A. 2. c. (6) (b) Latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself;

B. Coverage C – Personal Property

With respect to the coverage provided by this endorsement only, the following Section I – Peril Insured Against is replaced by the following:

15. Sudden And Accidental Damage From Artificially Generated Electrical Current

With respect to the coverage provided by this endorsement only, the following Section I – Peril Insured Against is added:

17. "Equipment Breakdown"

SECTION I – CONDITIONS

With respect to the coverage provided by this endorsement only, the following Section I – Condition is replaced by the following:

D. Loss Settlement

1. We will pay you the amount you spend to repair or replace your covered property damaged by an “equipment breakdown”. Subject to the other terms shown under Section I – Conditions and the terms of this endorsement, our payment will be the lesser of:
 - a. The cost at the time of the “equipment breakdown” to repair the damaged covered property;
 - b. The cost at the time of the “equipment breakdown” to replace the covered property with property of like kind, capacity, size and quality; or
 - c. The amount you actually spend that is necessary to repair or replace the damaged property.
2. As respects your covered property, if cost of repairing or replacing only a part of the covered property is greater than:
 - a. The cost of repairing the covered property; or
 - b. The cost of replacing the entire covered property on the same site,

We will pay the lesser amount.

The repair parts or replacement covered property must be:

- a. Of like kind, capacity, size and quality; and
- b. Used for the same purpose.

With respect to the coverage provided by this endorsement only, the following Section I – Conditions are added:

- T.** “Equipment breakdown” coverage does not extend beyond the “residence premises” except as provided by the Additional Coverage for Off-Premises Coverage.

U. 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, 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 such property with like kind and quality.

V. Green Environmental, Safety, and Efficiency Improvements

If covered property requires repair or replacement due to an “equipment breakdown”, we will pay:

1. The lesser of the reasonable and necessary additional cost incurred by you 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.
2. The additional reasonable and necessary fees incurred by you for an accredited professional certified by a “green authority” to participate in the repair or replacement of physically damaged covered property as “green”.
3. The additional reasonable and necessary cost incurred by you for certification or recertification of the repaired or replaced covered property as “green”.
4. The additional reasonable and necessary cost incurred by you for “green” in the removal, disposal or recycling of damaged covered property.
5. The additional living expense or fair rental value (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.

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 expenses or fair rental value loss incurred as stated above.

These Conditions will be part of, and not in addition to, the limit of liability per loss or any other sublimits of this policy.

All other terms, conditions, provisions and conditions of the policy remain the same.