

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 – MASSACHUSETTS HO 01 20 05 11**

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

The following DEFINITIONS are added under **B.**:

12. “Equipment breakdown” 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:

- (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. This includes any hardware, programs or software; or
- (7)** Scratching and marring.

But if loss or damage not otherwise excluded results, then we will pay for such resulting damage.

- b. Loss, damage, cost, or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

Lightning; combustion explosion; weight of snow; ice or sleet; freezing; falling objects; smoke; aircraft or vehicles; riot or civil commotion; vandalism and malicious mischief; sink-hole collapse; volcanic action; leakage from fire extinguishing equipment; water, water damage; earth movement and flood.

13. "Green" means:

- a. Products;
- b. Materials;
- c. Methods; and
- d. Processes;

certified by a "green authority" that:

- (1) Conserve natural resources;
- (2) Reduce energy or water consumption;
- (3) Avoid toxic or other polluting emissions; or
- (4) Otherwise minimize environmental impact.

14. "Green authority" means an authority on:

- a. "Green" buildings;
- b. Products;
- c. Materials;
- d. Methods; or
- e. Processes;

certified and accepted by:

- (1) Leadership in Energy and Environmental Design (LEED®);
- (2) Green Building Initiative Green Globes®;
- (3) Energy Star Rating System; or
- (4) Any other recognized "green" rating system.

SECTION I – PROPERTY COVERAGES

E. Additional Coverages

The following Additional Coverages are added. They are added as a part of, and not in addition to, the limit per loss.

13. Expediting Expense

We will pay for the costs incurred as a result of an "equipment breakdown" to your 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" means the extra cost of temporary repair and of expediting the repair of your damaged equipment. This includes 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. The loss must result from: lack of power, light, heat, steam, or refrigeration caused by an "equipment breakdown" to covered personal property.

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 caused by 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 caused by an "equipment breakdown" if it is 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

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

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

The following Section I – Peril Insured Against, **15. Sudden and Accidental Damage from Artificially Generated Electrical Current** and its paragraph is replaced by the following:

15. Sudden And Accidental Damage From Artificially Generated Electrical Current

The following Section I – Peril Insured Against is added:

17. “Equipment Breakdown”

SECTION I – CONDITIONS

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The modification to **D. Loss Settlement** does not apply.

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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 caused by an “equipment breakdown”. Our payment will be the least 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 spend that is necessary to repair or replace the damaged property.

All other terms shown under Section I – Conditions and the terms of this endorsement still apply.

2. As respects your covered property, if the 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.

The following Section I – Conditions are added. They are added as a part of, and not in addition to, the limit per loss or any other sublimits of this policy.

- T. “Equipment breakdown” coverage does not extend beyond the “residence premises”. This does not apply to coverage 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 that property with equipment that is:

- a. Better for the environment;
- b. Safer; or
- c. More efficient;

than the equipment being replaced.

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 cost incurred by the “insured” to repair or replace covered property with equipment of like kind and quality which qualifies as “green”. Like kind and quality includes similar size and capacity.
2. The fees incurred by the “insured” for an accredited professional certified by a “green authority” to participate in the repair or replacement of covered property as “green”.
3. The cost incurred by the “insured” for certification or recertification of the repaired or replaced covered property as “green”.
4. The cost incurred by the “insured” for “green” in the; removal, disposal, or recycling of covered property.
5. The additional living expense or fair rental value loss when extra time is required for repair or replacement of covered property, consistent with “green”, in the coverages above. This only applies if a limit of liability is shown for Coverage D.

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. This is inclusive of fees, costs, and any additional living expenses or fair rental value loss incurred as stated above.

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