

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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## EQUIPMENT BREAKDOWN COVERAGE

For an additional premium, the following additional coverage is added to **Section I, in its entirety**, of the Homeowners 3 Special Form, Homeowners 5 Comprehensive Form and Homeowners 6 Unit-Owners Form.

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### AGREEMENT

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We will provide the insurance described in this Endorsement in compliance with all applicable provisions (including but not limited to, Conditions, Definitions and Exclusions) of your Homeowners policy. The most we will pay for loss, damage or expense under this Endorsement arising from any "one accident" is \$50,000. Coverage provided under this Endorsement does not increase any limit of liability under Section I.

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### DEFINITIONS

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The following definitions are added:

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."
2. "Computer equipment" means electronic data processing hardware and related peripheral equipment. This includes, but is not limited to, laptops, monitors and display screens, "media," keyboards, printers, modems and permanently installed wiring associated with such equipment.
3. "Covered equipment"
  - a. "Covered equipment" means property covered under Coverage A – Dwelling or Coverage B – Other Structures, and:
    - (1) that generates, transmits or utilizes energy; or
    - (2) which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.
  - b. None of the following is "covered equipment":
    - (1) supporting structure, cabinet or compartment;
    - (2) insulating material associated with "covered equipment";
    - (3) sewer piping, buried vessels or piping, or piping forming a part of a fire protective sprinkler system;
    - (4) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
    - (5) kitchen or laundry appliances, other than those permanently installed, including but not limited to, refrigerator, dishwasher, oven, stove, clothes washer or clothes dryer;
    - (6) "computer equipment" or any electronic component used with such "computer equipment," unless it is used to operate "covered equipment" or is permanently installed as part of the dwelling;

- (7) electronic entertainment equipment, including but not limited to, television or stereo equipment, or any electronic component used with such electronic entertainment; or
  - (8) software or electronic data.
4. "Media" means material on which data is recorded. This includes, but is not limited to, magnetic tapes, hard drives, optical storage drives or CD/DVD drives.
  5. "One accident" means: If an initial "accident" causes other "accidents," all will be considered "one accident." All "accidents" that are the result of the same event will be considered "one accident."

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## PROPERTY COVERAGES

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The following coverages are added, subject to the limit provided under the Agreement section of this Endorsement, unless otherwise specified:

1. We will pay for direct physical damage to "covered equipment" that is the result of an "accident."
2. **Spoilage**  
With respect to your refrigerated property, 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.We will pay up to \$500 under this coverage.
3. **Loss of Use**  
Coverage for Additional Living Expense and Fair Rental Value, as defined under Coverage D – Loss of Use, is extended to the coverage provided by this Endorsement.
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.

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## EXCLUSIONS

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The following exclusions are added:

1. We will not pay under this Endorsement for loss, damage or expense caused by or resulting from electrical power surge or brown out.
2. We do not cover under this Endorsement any property that is not "covered equipment" except for refrigerated property to the extent it is covered under **Spoilage**.
3. We will not pay under this Endorsement for loss, damage or expense caused by or resulting from any defect, programming error, programming limitation, computer virus, malicious code, loss of data, loss of access, loss of use, loss of functionality or other condition within or involving data or "media" of any kind. But if an "accident" results, we will pay for the resulting loss, damage or expense.
4. We will not pay under this Endorsement for loss, damage or expense caused by or resulting from any of the following:

- a. fire (including fire resulting from an "accident"); or water or other means used to extinguish a fire;
  - b. explosion;
  - c. lightning; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; malicious mischief; theft; breakage of glass; falling objects; weight of snow, ice or sleet; freezing (caused by cold weather); collapse;
  - d. flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; mudslide or mudflow; or water that backs up or overflows from a sewer, drain or sump, and any other water damage including water damage resulting from an "accident"; or
  - e. any earth movement, including but not limited to earthquake, subsidence, sinkhole collapse, landslide, earth sinking, tsunami or volcanic action.
5. We will not pay under this Endorsement for loss, damage or expense caused by or resulting from wear and tear, deterioration, or rust or other corrosion. However, any ensuing loss to "covered equipment" is covered.
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## DEDUCTIBLE

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We will pay only that part of the loss that exceeds \$500. No other deductible applies to this coverage.

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## CONDITIONS

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The following conditions are added:

1. **Environmental, Safety and Efficiency Improvements**

If "covered equipment" requires replacement due to an "accident," 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 125% of what the cost would have been to replace with like kind and quality. This condition does not increase any of the applicable limits.

2. **Loss Settlement**

Losses under this Endorsement will be settled as follows:

a. Our payment for damaged covered property will be the smallest of:

- (1) The limit of liability that applies to this Endorsement;
- (2) The cost to repair the damaged property;
- (3) The cost to replace the damaged property on the same premises; or
- (4) The necessary amount actually spent to repair or replace the damaged property.

b. Except as described in Environmental, Safety and Efficiency Improvements above, you are responsible for the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.

c. If you do not repair or replace the damaged property within 24 months after the date of the "accident," then we will pay only the smaller of the:

- (1) Cost it would have taken to repair at the time of the "accident"; or
- (2) Actual cash value at the time of the "accident."