

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

“EQUIPMENT BREAKDOWN” ENHANCEMENT ENDORSEMENT

With respect to “Equipment Breakdown”, this endorsement changes coverage provided by the **Businessowners Coverage Form** and endorsements thereto.

SECTION I – PROPERTY, A. Coverage, paragraph **4. Limitations**, sections **4.a.(1)** and **4.a.(2)** are deleted.

SECTION I – PROPERTY, A. Coverage, paragraph **6. Coverage Extensions**, is amended by addition of the following:

g. Expediting Expense

We will pay for the expediting expense loss resulting from an “Equipment Breakdown” causing damage to Covered Property. We will pay the “reasonable extra cost” to:

- (1) Make temporary repairs; and
- (2) Expedite permanent repairs; and
- (3) Expedite permanent replacement.

h. “Green” Environmental 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 the Insured to repair or replace physically damaged **Covered Property** with equipment of like kind and quality that qualifies as “Green”. “Like kind and quality” includes similar size and capacity.
- (2) 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”.
- (3) The additional reasonable and necessary cost incurred by the Insured for certification or recertification of the repaired or replaced **Covered Property** as “Green”.
- (4) The additional reasonable and necessary cost incurred by the Insured for “Green” in the removal, disposal or recycling of damaged **Covered Property**.
- (5) The business interruption (if covered within the Policy to which this **Equipment Breakdown Enhancement Endorsement – “Green” Environmental and Efficiency Improvements** is attached) loss during the additional time required for repair or replacement of **Covered Property**, consistent with “Green”, in the coverages above.

- (6) We will not pay more than one hundred twenty-five (125%), 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 “**Green**” **Environmental and Efficiency Improvements** will be 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 is subject to the following conditions:

- a. **Covered Property** does not include stock, raw materials, finished goods, “production machinery”, merchandise, electronic data processing equipment not used in the functional support of the real property, process water, molds and dies, property in the open, property of others for which the Insured is legally liable, or personal property of others.
- b. Losses shall not be adjusted on any valuation basis other than a repair or replacement basis as per the Valuation section of this policy.
- c. “Equipment Breakdown” will not cover any loss covered under any other section of this policy.
- d. “Equipment Breakdown” will not cover 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”.

i. Refrigerant Contamination

We will pay for contamination by a refrigerant resulting from “Equipment Breakdown” causing damage to **Covered Property**.

The most we will pay for loss or damage under this coverage is the limit shown in the Declaration for Business Personal Property or \$250,000, whichever is less, unless a higher limit is provided by endorsement. In that case, whichever limit is greater will apply. This payment may be adjusted for salvage expenses or recoveries, if any.

j. 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 “Equipment Breakdown” to types of property covered by this policy, that are:

- (1) located on or within 1,000 feet of the described premises;
- (2) owned or used by you, owned by the building owner at the described premises, or owned by a public utility; and
- (3) used to supply telephone, electricity, air conditioning, heating, gas, water or steam to the described premises.

However, we will not pay for any loss, damage, cost or expense for which coverage is provided by the **Businessowners Coverage Form** and endorsements thereto.

The most we will pay for loss or damage under this coverage is the limit shown in the Declaration for Business Personal Property or \$250,000, whichever is less, unless a higher limit is provided by endorsement. This payment may be adjusted for salvage expenses or recoveries if any.

SECTION I – PROPERTY, B. Exclusions, exclusion 1.e. Power Failure, is amended to add the following:

1.e. Power Failure

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

However, we will pay for loss resulting in a Business Income or Extra Expense loss due to an “Equipment Breakdown” to covered equipment that occurs on or within 1,000 feet of the described premises.

If failure of power or other utility service results in an “Equipment Breakdown” to **Covered Property**, we will pay for the loss or damage caused by the “Equipment Breakdown”.

This exclusion does not apply to loss or damage to “computer(s)” and “electronic media and records”.

However, we will not pay for any loss, damage, cost or expense for which coverage is provided by the **Businessowners Coverage Form** and endorsements thereto.

SECTION I – PROPERTY, B. Exclusions, is amended by deletion of the following **Exclusions** in their entirety:

- 2. a. Electrical Apparatus**
- 2. d. Steam Apparatus**
- 2. l. Other Types Of Loss, item (6)**

SECTION I – PROPERTY, B. Exclusions, is amended by the addition of the following **Exclusion**:

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.

SECTION I – PROPERTY, E. Loss Conditions, 6. Loss Payment, is amended by addition of the following:

If **Covered Property** requires repair or replacement due to an “Equipment Breakdown”, we will pay your additional cost to repair or 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 one hundred twenty-five percent (125%) of what the cost might have been to repair or replace with like kind and quality. This condition does not apply to any property to which Actual Cash Value applies.

SECTION I – PROPERTY, F. Property General Conditions, is amended by addition of the following **Property General Conditions**:

5. 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 perils covered by this endorsement. Coverage can be suspended and possibly reinstated by delivering or mailing a written notice of suspension/coverage reinstatement to:

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

But if we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

SECTION I – PROPERTY, G. Optional Coverages, paragraph 1. **Outdoor Signs**, Item c. (5) **Mechanical Breakdown** is deleted in its entirety.

SECTION I – PROPERTY, G. Optional Coverages, paragraph 4. **Mechanical Breakdown** is deleted in its entirety and replaced by the provisions of this “Equipment Breakdown” endorsement.

SECTION I – PROPERTY, H. Property Definitions, 11. “Specified Causes of Loss” also means “Equipment Breakdown”.

SECTION I – PROPERTY, – PROPERTY, H. Property Definitions, is amended by addition of the following:

14. “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; and/or
 - (b) any piping forming part of a fire protective system; and/or
 - (c) furnaces; and
 - (d) any water piping other than:
 - (i) boiler feed water piping between the feed pump and the boiler; or

- (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; or
 - (2) Electrical or electronic breakdown meaning breakdown from artificially generated electrical current, including electrical arcing, that disturbs electrical devices, appliances or wires; or
 - (3) Rupture, bursting, bulging, implosion, or steam explosion.

However, "Equipment Breakdown" does 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 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) The following causes of loss to personal property:
 - (i) dampness or dryness of atmosphere;
 - (ii) marring or scratching.
- 15. "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.
- 16. "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.
- 17. "Production machinery" means any machine that processes, forms, shapes, or transports raw materials, materials in process, waste materials or finished products.
- 18. "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. This will be a part of and not an addition to the limit shown on the Declaration Page.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.