

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

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
CAUSES OF LOSS –BASIC FORM**

“EQUIPMENT BREAKDOWN” ENHANCEMENT ENDORSEMENT

With respect to “Equipment Breakdown”, this endorsement changes coverage provided by the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM CP 00 10**, **CONDOMINIUM ASSOCIATION COVERAGE FORM CP 00 17** or **CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM CP 00 18**, whichever is applicable and the **CAUSES OF LOSS - BASIC FORM CP 10 10** and endorsements thereto. Read the entire endorsement carefully to determine rights, duties and what is and is not covered.

Changes to **BUILDING AND PERSONAL PROPERTY COVERAGE FORM CP 00 10**, **CONDOMINIUM ASSOCIATION COVERAGE FORM CP 00 17** or **CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM CP 00 18**, whichever is applicable

The following are added to **F. Additional Conditions**:

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.

Inspections and Surveys

- a. We have the right to:
 - (1) Make inspections and surveys at any time; and/or
 - (2) Give you reports on the conditions we find; and/or
 - (3) Recommend changes.
- b. are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public and we do not warrant that conditions:
 - (1) Are safe or healthful; or
 - (2) Comply with laws, regulations, codes or standards.

- c. Paragraphs **a.** and **b.** of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization, which makes insurance inspections, surveys, reports or recommendations.

“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 that 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 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.
- f. We will not pay more than one hundred twenty-five percent (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”.

Changes to **CAUSES OF LOSS - BASIC FORM CP 10 10**

The following is added to **A. Covered Causes of Loss:**

- 12.** “Equipment Breakdown”, meaning direct damage to **Covered Property** as follows:

“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:
 - (a) dampness or dryness of atmosphere;
 - (b) marring or scratching
- (7) 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.

However, we will not pay for any loss, damage, cost or expense under this endorsement for which coverage is provided by the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM CP 00 10**, **CONDOMINIUM ASSOCIATION COVERAGE FORM CP 00 17** or **CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM CP 00 18**, whichever is applicable and the **CAUSES OF LOSS - BASIC FORM CP 10 10** and endorsements thereto.

Section **B. Exclusions, 1.e. Utility Services** is amended to add the following:

e. Utility Services

Loss resulting from “Equipment Breakdown” to power or other utility service supplied to the described premises if the failure occurs beyond 1,000 feet from the described premises. Failure includes lack of sufficient capacity and reduction in supply.

But if failure of power or other utility service results in an “Equipment Breakdown”, we will pay for the loss or damage caused by that “Equipment Breakdown”.

However, we will not pay for any loss, damage, cost or expense under this endorsement for which coverage is provided by the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM CP 00 10, CONDOMINIUM ASSOCIATION COVERAGE FORM CP 00 17** or **CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM CP 00 18**, whichever is applicable and the **CAUSES OF LOSS - BASIC FORM CP 10 10** and endorsements thereto.

This exclusion does not apply to the Business Income coverage or to Extra Expense coverage. Instead the Special Exclusion in paragraph **B.3.a (1)** applies to these coverages.

The following Exclusions are deleted in their entirety:

- 2. a. Electrical Disturbances**
- 2. d. Steam Explosion**
- 2. e. Mechanical breakdown**

Special Exclusions 3.a.(1) is deleted in its entirety and replaced with the following:

3. Special Exclusions

- a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, or Extra Expense Coverage Form**

We will not pay for:

- (1) Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if the failure occurs outside of a covered building. Failure includes lack of sufficient capacity and reduction in supply.**

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 the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss resulting from that Covered Cause of Loss.

However, we will not pay for any loss, damage, cost or expense under this endorsement for which coverage is provided by the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM CP 00 10, CONDOMINIUM ASSOCIATION COVERAGE FORM CP 00 17** or **CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM CP 00 18**, whichever is applicable and the **CAUSES OF LOSS - BASIC FORM CP 10 10** and endorsements thereto.

The following **Additional Coverage Extensions** are added:

- 1. Expediting Expense**

At our sole discretion, 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:

- a. Make temporary repairs; and
- 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 which will be a part of and not an addition to the limit shown on the Declarations Page.

2. **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.

3. **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:

- a. located on or within 1,000 feet of the described premises;
- b. owned or used by you, owned by the building owner at the described premises, or owned by a public utility; and
- c. 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 under this endorsement for which coverage is provided by the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM CP 00 10, CONDOMINIUM ASSOCIATION COVERAGE FORM CP 00 17** or **CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM CP 00 18**, whichever is applicable and the **CAUSES OF LOSS - BASIC FORM CP 10 10** 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 **E. Definitions**, is amended by addition of the following:

“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.

“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.

“Production machinery” means any machine which processes, forms, shapes, or transports raw materials, materials in process, waste materials or finished products.

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.