

EQUIPMENT BREAKDOWN COVERAGE

This endorsement, together with the House of Worship Policy (MHW 010) and the Equipment Breakdown Coverage Schedule shown on page 7 of this form, provides additional coverages as described below.

The provisions of this endorsement apply only when the endorsement number is listed in the Declarations. Except as provided below, all other provisions in this policy are unchanged.

ADDITIONAL SUPPLEMENTAL COVERAGES

The following is added to Part I B - Supplemental Coverages.

A. EQUIPMENT BREAKDOWN

We will pay up to the limit shown in the Schedule, *your* direct physical damage to covered property caused by or resulting from an *accident*. As used in this Supplemental Coverage, an *accident* means fortuitous direct physical damage to *covered equipment*. The event must be one of the following:

1. mechanical breakdown, including rupture or bursting caused by centrifugal force;
2. loss by artificially generated electrical currents to electrical or electronic appliances, devices or wiring;
3. explosion of steam boilers, steam engines, steam pipes or steam turbines *you* own or lease or which are operated under *your* control;
4. loss or damage to steam boilers, steam engines, steam pipes or steam turbines caused by any condition or event within such boilers or equipment; or
5. loss or damage to hot water boilers or other equipment for heating water caused by any condition or occurrence within such boilers or equipment.

B. COVERAGE EXTENSIONS

Unless otherwise shown in the Schedule, the following coverage extensions also apply to loss caused by or resulting from an *accident* to *covered equipment*. These coverage extensions do not provide additional limits of insurance.

1. Expediting Expenses
With respect to *your* covered property, we will pay the reasonable extra cost to:

- a. make temporary repairs to *your* damaged covered property; and/or
- b. expedite permanent repairs or permanent replacement to *your* damaged covered property.

The most we will pay for loss or expense under this coverage is \$25,000 unless otherwise shown in the Schedule.

2. Hazardous Substances

We will pay for the additional expenses to repair or replace covered property because of contamination by a *hazardous substance*. This includes the additional expenses required to clean up or dispose of such property. This does not include contamination of *perishable goods* by refrigerant, including but not limited to ammonia, which is addressed in Spoilage below.

Additional expenses mean those beyond what would have been required had no *hazardous substances* been involved.

The most we will pay for loss, damage or expense under this coverage, including actual loss of income *you* sustain and necessary extra expenses *you* incur, is \$25,000 unless otherwise shown in the Schedule.

3. Spoilage

We will pay for the following:

- a. Physical damage to *perishable goods* due to spoilage;
- b. Physical damage to *perishable goods* due to contamination from the release of refrigerant, including but not limited to ammonia;

- c. Any necessary expenses *you* incur to reduce the amount of loss under this coverage. *We* will also pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

If *you* are unable to replace the *perishable goods* before its anticipated sale, the amount of *our* payment will be determined on the basis of the sales price of the *perishable goods* at the time of the *accident*, less discounts and expenses *you* otherwise would have had. Otherwise *our* payment will be determined in accordance with the How Losses Are Settled condition.

The most *we* will pay for loss, damage or expense under this coverage is \$25,000 unless otherwise shown in the Schedule.

4. Data Restoration

We will pay for *your* reasonable and necessary cost to research, replace and restore *data*.

The most *we* will pay for loss or expense under this coverage, including actual loss of loss of income *you* sustain and necessary extra expense *you* incur, is \$25,000 unless otherwise shown in the Schedule.

5. Service Interruption

Any insurance provided for loss of income, extra expense or spoilage is extended to apply to loss, damage or

expense caused by the interruption of utility services. The interruption must result from an *accident* to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks, or *data* transmission. The equipment must meet the definition of *covered equipment* except that it is not covered property.

Unless otherwise shown in a Schedule, Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the *accident*.

The most *we* will pay in any *one accident* for loss, damage or expense under this coverage is the limit that applies to loss of income, extra expense or Spoilage.

6. Loss of Income

Any insurance provided under this coverage part for loss of income or extra expense is extended to the coverage provided by this endorsement. The most *we* will pay for loss of income *you* sustain or necessary extra expense *you* incur is the limit shown in the Declarations for that coverage, unless otherwise shown in the Schedule.

ADDITIONAL CONDITIONS

1. Suspension

When any *covered equipment* is found to be in, or exposed to a dangerous condition, *our* representative may immediately suspend the insurance against loss from an *accident* to that *covered equipment*. *We* can do this by mailing or delivering a written notice of suspension to your address as shown in the Declarations, or at the address where the *covered equipment* is located. Once insurance is suspended, it can be reinstated only by an endorsement for that *covered equipment*. If insurance is

suspended, *you* will receive a pro rata refund of premium. The suspension will be effective even if *we* have not yet offered or made a refund of premium.

2. Jurisdictional Inspections

If any property that is *covered equipment* under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, *we* agree to perform such inspection on *your* behalf. *We* do not warrant that conditions are safe or healthful.

3. 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 repair or replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which *actual cash value* applies.

4. Deductible
As regards Equipment Breakdown Coverage only, the following provision is added to Part 1G.2.B. Deductible:

- a. The Equipment Breakdown Deductible is shown on the Equipment Breakdown Schedule.

If the deductibles vary by type of *covered equipment* and more than one type of equipment is involved in any *one accident*, only the highest deductible for each coverage will apply.

- b. Direct and Indirect Coverages
Unless otherwise shown in the Schedule, the direct coverages deductibles apply to all loss or damage covered by this endorsement with the exception of those coverages subject to the indirect coverages deductibles as noted below. Unless more specifically indicated in the Schedule, the indirect coverage deductibles apply to loss of income.

1. Dollar Deductibles:
We will not pay for loss, damage or expense resulting from any *one accident* until the amount of loss, damage or expense exceeds the applicable Deductible shown in the Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable deductible, up to the applicable Limit of Liability after any deduction for the coinsurance requirements.
2. Time Deductible:
If a time deductible is shown in the Schedule, we will not be liable for any loss occurring during the

specified number of hours or days immediately following the *accident*. If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

3. Multiple of Average Daily Value (ADV):

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:
The ADV (Average Daily Value) will be the loss of income (as described in any loss of income coverage that is part of this policy) that would have been earned during the period of interruption of business had no *accident* occurred, divided by the number of working days in that period. No reduction shall be made for the loss of income not being earned, or in the number of working days, because of the *accident* or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the loss of income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations.

The number indicated in the Schedule shall be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

4. Percentage of Loss Deductibles: If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.
5. The most we will pay for loss or damage under this endorsement arising from any *one accident* is the equipment breakdown limit shown in the Schedule. Coverage provided under this endorsement does not provide an additional amount of insurance.

ADDITIONAL DEFINITIONS

Boilers and Vessels

Boilers and vessels means:

- Any boiler, including attached steam, condensate and feedwater piping;
- Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in the Schedule.

Covered Equipment

Covered equipment means, unless otherwise specified in the Schedule, covered property:

1. that generates, transmits or utilizes energy, including electronic communications and data processing equipment; or
2. which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

Data

Data means information or instructions stored in digital code capable of being processed by machinery.

Hazardous Substance

Hazardous substance means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.

Media

Media means material on which *data* is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.

One Accident

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*.

Perishable Goods

Perishable goods means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.

Production Machinery

Production machinery means any machine or apparatus that processes or produces a product intended for eventual sale. However, *production machinery* does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston.

This term does not appear elsewhere in this endorsement, but may appear in the Schedule.

Vehicle

Vehicle means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. *Vehicle* includes, but is not limited to car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester. However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a *vehicle*.

ADDITIONAL EXCLUSIONS

COVERAGE MODIFICATIONS

All of the Property Exclusions / Limitations, Property Loss Limitations, Losses Not Insured and Common Exclusions in *your* policy apply except as modified below.

A. Part I F. Losses Not Insured is modified as follows:

1. Provision 12.A. is deleted and replaced with the following:

Wear and tear • birds, domestic animals, insects, raccoons, rodents or vermin • corrosion • decay or deterioration • deficiency, error or omission in design, materials, plans or workmanship • disease • dry or wet rot • *fungi*, mold, spores, mildew, bacterium, or other natural growth • inherent vice (a customary characteristic of the property) • latent defect (an original condition or fault leading to loss) • rust.

However, if loss by an *accident* results, we will pay for the loss or damage caused by that *accident*.

Contamination or *pollution* including, but not limited to: (1) the discharge, dispersal, emission, escape, migration, release or seepage of *pollutants*; (2) the costs associated with enforcement of any governmental directive, law or ordinance which requires *you* or any others to cleanup, contain, detoxify, monitor, neutralize, remove, test for or in any way respond to *pollutants*, asbestos, *fungi*, mold or lead contamination or assess the effects of *pollutants*, asbestos, *fungi*, mold or lead contamination; but see Supplemental Coverage 11 for certain coverage.

2. The following paragraph is added to provisions 12.B., 12.F. and 12.G.:

However, if loss by an *accident* results, we will pay for the loss or damage caused by that *accident*.

3. Provisions 4 and 5 do not apply.

B. The following are added to Part I F. Losses Not Insured:

We will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an *accident*.

any mold, fungus, mildew or yeast, including any spores or toxins produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean up, removal or abatement of such mold, fungus, mildew or yeast, spores or toxins. However, this exclusion does not apply to spoilage of personal property that is *perishable goods*, to the extent that spoilage is covered under Spoilage coverage.

2. We will not pay under this endorsement for loss or damage caused by or resulting from the following:

- a. Your failure to use all reasonable means to protect the *perishable goods* from damage following an *accident*;

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 loss or damage from an *accident* results, we will pay for that resulting loss or damage; or

- b. Any of the following tests:

- a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
- an insulation breakdown test of any type of electrical equipment.

- c. Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance. But, if an *accident* results, we will pay for the resulting loss, damage or expense caused by that *accident*.

- d. With respect to Service Interruption coverage we will also not pay for loss or damage caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically

provided in the preceding Additional Supplemental Coverages - Equipment Breakdown paragraph A.3.); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.

6. satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
7. dragline, excavation or construction equipment; or
8. equipment manufactured by *you* for sale.

C. Property Exclusions

The following are not considered *covered equipment*:

1. structure, foundation, cabinet, compartment or air supported structure or building;
2. insulating or refractory material;
3. sewer piping, underground vessels or piping, or piping forming a part of a 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. *vehicle*, or any equipment mounted on a *vehicle*;

EQUIPMENT BREAKDOWN COVERAGE SCHEDULE

Subject to any applicable limits on the Declarations, the Equipment Breakdown Limit is the most we will pay for loss or damage arising out of any *one accident*.

These coverages apply to all locations covered on the policy, unless otherwise specified.

Coverages	Limits

Equipment Breakdown Limit	<i>See Declarations Page</i>
Loss of Income (including Extra Expense)	<i>See Declarations Page</i>
Expediting Expenses	\$ 25,000
Hazardous Substances	\$ 25,000
Spoilage	\$ 25,000
Data Restoration	\$ 25,000
Service Interruption	\$ 25,000

Deductibles

See Declarations Page

Other Conditions

None