

HOME SYSTEMS PROTECTION (including SERVICE LINE)

The following additional coverages are added to the Property Coverages section of the Basic Form, Broad Form or Special Form.

PART A. - HOME SYSTEMS PROTECTION COVERAGE

AGREEMENT

In return for “your” payment of the required premium, “we” provide Home Systems Protection coverage described in PART A. during the policy period. This Home Systems Protection coverage is subject to the terms of this endorsement, the “declarations”, and “your” Homeowners policy. The most “we” pay for loss, damage or expense under PART A. of this Home Systems Protection coverage arising from any “one home system breakdown” is \$50,000. Home Systems Protection coverage provided under PART A. of this endorsement does not increase the “limit” of liability under Property Coverages.

DEFINITIONS

The following definitions are added:

1. “Covered home equipment”
 - a. “Covered home equipment” means property covered under Coverage A – Residence, Coverage B – Related Private Structures or Coverage C – Personal Property:
 - 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.“Covered home equipment” may utilize conventional design and technology or new or newly commercialized design and technology.
 - b. None of the following is “covered home equipment”:
 - 1) supporting structure, cabinet or compartment;
 - 2) insulating material associated with “covered home equipment”;
 - 3) water piping other than boiler feedwater piping, boiler condensate return piping or water piping connected to a heating or air conditioning system;
 - 4) wastewater piping or piping forming a part of a fire protective sprinkler or irrigation system;
 - 5) buried or encased piping or buried vessels, however, interior buried or encased piping connected to a heating or air conditioning system is “covered home equipment”; or
 - 6) software or electronic data.
2. “Home system breakdown”
 - a. “Home system breakdown” means a sudden and accidental:
 - 1) mechanical breakdown;
 - 2) electrical breakdown; or
 - 3) bursting, cracking or splittingof “covered home equipment” that results in direct physical damage and requires repair or replacement of all or part of the damaged “covered home equipment”.
 - b. None of the following is a “home system breakdown”:
 - 1) rust, corrosion, erosion, deterioration or gradual loss of efficiency or functionality of “covered home equipment”;
 - 2) leakage or seepage at or from any connection, valve, fitting, shaft or seal;

- 3) any 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;
 - 4) complete or partial interruption of electrical power, fuel or water supply, whether deliberate or accidental;
 - 5) any condition which can be corrected by resetting, recalibrating or by the performance of maintenance; or
 - 6) cosmetic or other damage that does not impair functionality.
3. "One home system breakdown" means: If an initial "home system breakdown" causes other "home system breakdowns," all will be considered "one home system breakdown". All "home system breakdowns" that are the result of the same event will be considered "one home system breakdown".
4. "Recognized environmental standards program" means one of the following:
- a. The United States Environmental Protection Agency ENERGY STAR® program;
 - b. The U.S. Green Building Council LEED® program;
 - c. FORTIFIED® homes certified by the Insurance Institute for Business & Home Safety (IBHS); or
 - d. any nationally or internationally recognized environmental standards program designed to achieve energy savings and related objectives of the type included in the programs listed above.

PROPERTY COVERAGES

The following coverages are added, subject to the "limit" provided under the Agreement section of PART A. of this endorsement, unless otherwise specified:

1. **Damage to "Covered Home Equipment"**
"We" pay for direct physical damage to "covered home equipment" that is the result of a "home system breakdown" that occurs on or off the "insured premises".
2. **Spoilage**
With respect to "your" refrigerated property, "we" pay:
 - a. for physical damage due to spoilage that is the result of a "home system breakdown";
 - 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" pay up to \$500 or the "limit" shown in "your" policy for Refrigerated Property Coverage, whichever is greater. However, in no event do "we" pay more than \$3,000 under this Spoilage coverage for any "one home system breakdown".
3. **Additional Living Costs and Loss of Rent**
Coverage for Additional Living Costs and Loss of Rent, as defined under Coverage D, is extended to the coverage provided by PART A. of this endorsement.
4. **Expediting Expenses**
With respect to "your" "covered home equipment" that is damaged as the result of a "home system breakdown," "we" pay the reasonable extra cost to:
 - a. make temporary repairs; and
 - b. expedite permanent repairs or permanent replacement.
5. **Green**
 - a. With respect to "your" covered property, "we" pay "your" additional cost:
 - 1) to repair damaged property using equipment, materials and service firms required or recommended by a "recognized environmental standards program," if repair is the least expensive option as described in the Loss Settlement condition below;
 - 2) to replace damaged property using equipment, materials and service firms required or

- recommended by a "recognized environmental standards program," if replacement is the least expensive option as described in the Loss Settlement condition below;
 - 3) to dispose of damaged property or equipment, if practicable, through a recycling process; and
 - 4) to flush out reconstructed space with up to 100% outside air using new filtration media.
 - b. With respect to any building that is covered property and was, at the time of the "home system breakdown," certified by a "recognized environmental standards program," "we" pay "your" additional cost:
 - 1) to prevent a lapse of such certification;
 - 2) to reinstate the certification or replace it with an equivalent certification;
 - 3) for an engineer authorized by a "recognized environmental standards program" to oversee the repair or replacement of the damaged covered property; and
 - 4) for a Professional Engineer to commission or recommission "your" damaged mechanical, electrical, or electronic building systems.
 - c. As used in this coverage, additional costs mean those beyond what would have been payable under this endorsement in the absence of this Green coverage.
 - d. This coverage is subject to the following provisions:
 - 1) this coverage applies in addition to any coverage that may apply under the Environmental, Safety and Efficiency Improvements condition of this endorsement, or any other applicable coverage.
 - 2) this coverage only applies to covered property that must be repaired or replaced as a direct result of a "home system breakdown".
 - 3) this coverage does not apply to any covered property to which actual cash value applies.
 - e. The most "we" pay for loss, damage or expense arising out of any "one home system breakdown" is \$3,000.

6. Pollutant Clean Up and Removal

"We" pay for "pollutant" clean up and removal for loss resulting from a "home system breakdown". The most "we" pay for loss or damage under this Incidental Property Coverage is \$3,000. This Incidental Property Coverage does not increase the "limit" for any "one home system breakdown".

EXCLUSIONS

Any exclusions in "your" policy for mechanical breakdown and electrical breakdown do not apply to this endorsement.

The following exclusions are added.

- 1. "We" do not pay under PART A. of this endorsement for loss, damage or expense caused by or resulting from:
 - a. electrical power surge or brown out, whether or not caused by lightning. However, with respect to Coverage C when Sudden and Accidental Damage from Artificially Generated Electrical Currents is a covered peril in "your" policy, "we" pay for loss, damage or expense to tubes, transistors, electronic components or circuitry that are a part of appliances, fixtures, computers, home entertainment units, or other types of electronic apparatus, caused by or resulting from artificially generated current.
 - b. any of the following, whether the excluded peril occurs on or off the "insured premises":
 - 1) fire (including fire resulting from a "home system breakdown"); or water or other means used to extinguish a fire;
 - 2) explosion;
 - 3) lightning; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; breakage of glass; falling objects; weight of snow, ice or sleet; freezing (caused by cold weather); collapse;
 - 4) vandalism, malicious mischief or theft;
 - 5) 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 a "home system breakdown"; or
- 6) any earth movement, including but not limited to earthquake, subsidence, sinkhole collapse, landslide, earth sinking, tsunami or volcanic action.

2. "We" do not pay for any property that is not "covered home equipment" except for refrigerated property to the extent it is covered under Spoilage, or covered property to the extent it is covered under Green.

HOW MUCH WE PAY FOR LOSS OR CLAIM

Under Property Coverages, Our Limit, Deductible and Loss Settlement Terms are deleted and replaced by the following with respect to PART A. of this endorsement.

1. **Deductible** -- Subject to the "limit" that applies to PART A. of this endorsement, "we" pay that part of the loss over \$500. No other deductible applies to PART A. coverage.
2. **Loss Settlement Terms** --
 - a. Subject to the "terms" of How Much We Pay For Loss Or Claim, "our" payment for damaged covered property will be the smallest of:
 - 1) the applicable "limit" of liability;
 - 2) the cost to repair the damaged property;
 - 3) the cost to replace the damaged property with like kind, quality and capacity on the same "insured 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 below, "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 "home system breakdown," then "we" pay only the smaller of:
 - 1) the cost it would have taken to repair or replace at the time of the "home system breakdown"; or
 - 2) the actual cash value at the time of the "home system breakdown".

CONDITION

The following condition is added:

Environmental, Safety and Efficiency Improvements

If "covered home equipment" requires replacement due to a "home system breakdown," "we" pay "your" additional cost to replace with equipment that is better for the environment, safer for people, or more energy or water efficient than the equipment being replaced.

However, "we" do not pay to increase the size or capacity of the equipment and "we" do not pay more than 150% of what the cost would have been to replace with like kind and quality. This condition does not apply to the replacement of component parts or to any property to which actual cash value applies and does not increase any of the applicable "limits".

PART B. - SERVICE LINE COVERAGE

AGREEMENT

In return for "your" payment of the required premium, "we" provide the Service Line Coverage described in PART B. during the policy period. Service Line Coverage is subject to the terms of this endorsement, the "declarations," and the applicable policy forms, except as provided below. The most "we" pay for loss, damage or expense under PART B. of this endorsement arising from any "one service line failure" is \$10,000.

DEFINITIONS

The following definitions are added:

1. "Covered service line"
 - a. "Covered service line" means exterior underground piping and wiring, including permanent connections, valves or attached devices, providing one of the following services to "your" "residence":
 - 1) communications, including cable transmission, data transmission, internet access and telecommunications;
 - 2) compressed air;
 - 3) drainage;
 - 4) electrical power;
 - 5) heating, including geothermal, natural gas, propane and steam;
 - 6) waste disposal; or
 - 7) water.
 - b. A "covered service line" must be owned by "you" or "you" must be responsible for its repair or replacement as required by law, regulation or service agreement. Should repair or replacement be "your" responsibility, a "covered service line" ends at the precise location where "your" responsibility for such repair or replacement ends. However, in no event will a "covered service line" extend beyond the point of connection to the main service or utility line.
 - c. "Covered service line" does not include:
 - 1) that part of piping or wiring that runs through or under a body of water, including but not limited to, a swimming pool, pond or lake;
 - 2) that part of piping or wiring that runs through or under the "residence" or related private structure; or
 - 3) piping or wiring that is not connected and ready for use.
2. "Earth movement" means:
 - a. earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
 - b. landslide, mudslide or mudflow;
 - c. subsidence or sinkhole collapse;
 - d. tsunami or volcanic action; or
 - e. any other naturally occurring earth movement including earth sinking, rising or shifting.
3. "One service line failure" means: If an initial "service line failure" causes other "service line failures," all will be considered "one service line failure". All "service line failures" that are the result of the same event will be considered "one service line failure".
4. "Residence," with respect to this endorsement only, means the one to four family house, townhouse or row house where "you" reside, located on the "insured premises".
5. "Insured premises", with respect to this Service Line Coverage only, means the one to four family house, the townhouse, or the row house where "you" reside and which is described in the Declarations. It includes related private structures and grounds at that location. However, if the "insured premises" is a townhouse or a row house, it includes only related private structures and grounds at that location that are used or occupied solely by "your" household for residential purposes.
6. "Service line failure" means a leak, break, tear, rupture, collapse or arcing of a "covered service line" not otherwise excluded by this endorsement. A "service line failure" may be caused by, but is not limited to, the following perils:
 - a. wear and tear, marring, deterioration or hidden decay;
 - b. rust or other corrosion;
 - c. mechanical breakdown, latent defect or inherent vice;

- d. weight of vehicles, equipment, animals or people;
- e. vermin, insects, rodents or other animals;
- f. artificially generated electrical current;
- g. freezing or frost heave;
- h. external force from a shovel, backhoe or other form of excavation; or
- i. tree or other root invasion.

“Service line failure” does not include blockage or low pressure of a “covered service line” when there is no physical damage to the “covered service line.”

- 7. “Recognized environmental standards program” means one of the following:
 - a. The United States Environmental Protection Agency ENERGY STAR® program;
 - b. The U.S. Green Building Council LEED® program;
 - c. FORTIFIED® homes certified by the Insurance Institute for Business & Home Safety (IBHS); or
 - d. Any nationally or internationally recognized environmental standards program designed to achieve energy savings and related objectives of the type included in the programs listed above.

COVERAGES

The following coverages are added, subject to the “limit” provided under the Agreement section of PART B. of this Service Line Coverage:

- 1. Damages to “Covered Service Line”
“We” pay for physical damage to “your” “covered service line” that is the direct result of a “service line failure”.
- 2. Excavation Costs
With respect to “your” “covered service line” that is damaged as the result of a “service line failure,” “we” pay the necessary and reasonable excavation costs that are required to repair or replace the damaged “covered service line”.
- 3. Expediting Expenses
With respect to “your” “covered service line” that is damaged as the result of a “service line failure,” “we” pay the reasonable extra cost to:
 - a. make temporary repairs; and
 - b. expedite permanent repairs or permanent replacement.
- 4. Additional Living Costs and Loss of Rent
Coverage for Additional Living Costs and Loss of Rent, as described under Coverage D, is extended to the coverage provided by PART B. of this endorsement.
- 5. Outdoor Property
“We” pay for “your” outdoor property, including but not limited to trees, shrubs, plants, lawns, walkways and driveways, that is damaged as a result of a “service line failure” or that is damaged during the excavation of “your” “covered service line” following a “service line failure”.
- 6. Green
 - a. “We” pay “your” additional cost:
 - 1) To repair “your” damaged “covered service line” using equipment, materials and service firms required or recommended by a “recognized environmental standards program,” if repair is the least expensive option as described in the Loss Settlement condition below;
 - 2) To replace “your” damaged “covered service line” using equipment, materials and service firms required or recommended by a “recognized environmental standards program,” if replacement is the least expensive option as described in the Loss Settlement condition below;
 - 3) To dispose of “your” damaged “covered service line,” if practicable, through a recycling process.

- b. As used in this coverage, additional costs mean those beyond what would have been payable under this endorsement in the absence of this Green coverage.
- c. This coverage is subject to the following provisions:
 - 1) This coverage applies in addition to any coverage that may apply under the Environmental, Safety and Efficiency Improvements condition of this endorsement, or any other applicable coverage.
 - 2) This coverage only applies to a "covered service line" that must be repaired or replaced as a direct result of a "service line failure."
- d. The most "we" pay for loss, damage or expense arising out of any "one service line failure" is \$3,000.

EXCLUSIONS

With respect to PART B. of this endorsement, the following exclusions are added.

1. "We" do not pay for loss or damage to:
 - a. septic systems, including leach fields, septic tanks, pumps, motors or piping that runs from the septic tank to the leach fields. Other than loss or damage to covered water disposal piping running from "your" "residence" or related private structure to a septic tank;
 - b. water wells, including well pumps or motors;
 - c. heating and cooling systems, including heat pumps; or
 - d. sprinkler system pumps, motors or heads.
2. "We" do not pay for loss or damage to a "covered service line" that is damaged while it is being installed, dismantled or repaired. However, this exclusion shall not apply if a covered "service line failure" necessitated such installation, dismantling or repair.
3. "We" do not pay to clean up or remove "pollutants", hazardous waste or sewage.
4. "We" do not pay under PART B. of this endorsement for loss or damage caused by or resulting from any of the following perils:
 - a. fire; or water or other means used to extinguish a fire;
 - b. explosion;
 - c. lightning; windstorm or hail; smoke; aircraft; riot or civil commotion; theft; breakage of glass;
 - d. flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; or water that backs up or overflows from a sewer, drain or sump; or
 - e. "earth movement," except for "earth movement" that results from the ground thawing after a freeze.
5. "We" do not pay additional costs incurred for loss or increased usage of water, natural gas, propane or any other service caused by or resulting from a "service line failure".

HOW MUCH WE PAY FOR LOSS OR CLAIM

Under Property Coverages, Our Limit, Deductible and Loss Settlement Terms are deleted and replaced by the following with respect to PART B. of this endorsement.

1. **Deductible** -- Subject to the "limit" that applies to PART B. of this endorsement, "we" pay that part of the loss over \$500. No other deductible applies to PART B. coverage.
2. **Loss Settlement Terms** --
 - a. Subject to the "terms" of How Much We Pay For Loss Or Claim, "our" payment for damaged covered property will be the smallest of:
 - 1) the "limit" that applies to PART B. of this endorsement;

- 2) the cost to repair the damaged property;
 - 3) the cost to replace the damaged property with like kind, quality and capacity on the same "insured premises"; or
 - 4) the necessary amount actually spent to repair or replace the damaged property.
- b. Except as described in the Environmental, Safety and Efficiency Improvements condition set forth below, "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. "You" are responsible for the extra cost to alter or relocate "covered service lines", unless such alteration or relocation is required by law or ordinance.

CONDITION

The following condition is added:

Environmental, Safety and Efficiency Improvements

If a "covered service line" requires replacement due to a "service line failure," "we" pay "your" additional cost to replace with materials that are better for the environment, safer for people or more energy or water efficient than the materials being replaced.

However, "we" do not pay to increase the size or capacity of the materials and "we" do not pay more than 150% of what the cost would have been to replace with like kind and quality. This condition does not increase the "limit" that applies to this Service Line Coverage.