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## HOME SYSTEMS PROTECTION AND SERVICE LINE COVERAGE

### PART A. -- HOME SYSTEMS PROTECTION COVERAGE

The following Incidental Property Coverage is added to the Basic Form, Broad Form or Special Form.

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### AGREEMENT

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In return for **your** payment of the required premium, **we** provide the coverage described in this Home Systems Protection Coverage during the policy period. This coverage is subject to the **terms** of this Home Systems Protection Coverage, the Declarations, and the applicable Form, except as provided below. The most **we** pay for loss, cost or expense under this Home Systems Protection Coverage arising from any **one accident** is \$50,000. Coverage provided under this Home Systems Protection Coverage does not provide an additional amount of insurance.

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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 – Residence or Coverage B -- Related Private Structures:

- 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 equipment** may utilize conventional design and technology or new or newly commercialized design and technology.

b. However, **covered equipment** does not include:

- 1) supporting structure, cabinet, or compartment;
- 2) insulating material associated with **covered 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) sewer 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 equipment**;
- 6) software or electronic data;

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- 7) kitchen or laundry appliances, other than those permanently installed, including but not limited to, refrigerator, dishwasher, oven, stove, clothes washer or clothes dryer;
  - 8) **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 residence; or
  - 9) electronic entertainment equipment, including but not limited to, television or stereo equipment, or any electronic component used with such electronic entertainment equipment.
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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## COVERAGES

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The following coverages are added, subject to the **limit** provided under the Agreement section of this Home Systems Protection Coverage, unless otherwise specified:

1. **Damage to Covered Equipment -- We** pay for direct physical damage to **your covered equipment** that is the result of an **accident** that occurs on the residence.
2. **Spoilage --** With respect to **your** refrigerated property, **we** pay up to \$500 for:
  - a. 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.

3. **Expediting Expenses --** With respect to **your covered equipment** that is damaged as the result of an **accident**, **we** pay the reasonable extra cost to:
  - a. make temporary repairs; and
  - b. expedite permanent repairs or permanent replacement.
4. **Additional Living Costs and Fair Rental Value --** Coverage for Additional Living Costs and Fair Rental Value, as described under Coverage D, is extended to the coverage provided by this Home Systems Protection Coverage.

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## EXCLUSIONS

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The following exclusions are added.

**We** do not pay under this Home Systems Protection Coverage for:

1. Loss caused by or resulting from electrical power surge or brown out, whether or not caused by lightning.
2. Any property that is not **covered equipment** except for refrigerated property to the extent it is covered under Spoilage.
3. Loss 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** pay for the resulting loss.
4. 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.
5. Loss or damage caused by or resulting from any of the following causes of loss:

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- a. fire (including fire resulting from an **accident**); or water or other means used to extinguish a fire;
    - 1) the **limit** that applies to this Home Systems Protection Coverage;
    - 2) the cost to repair the damaged property;
    - 3) the cost to replace the damaged property on the same **insured premises**; or
    - 4) the necessary amount actually spent to repair or replace the damaged property.
  - b. explosion;
  - c. 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;
  - d. vandalism, malicious mischief or theft;
  - e. 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
  - f. **earth movement**, including but not limited to earthquake, subsidence, sinkhole collapse, landslide, earth sinking, tsunami or volcanic action.
    - 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** pay only the smaller of:
      - 1) the cost it would have taken to repair at the time of the **accident**; or
      - 2) the actual cash value at the time of the **accident**.

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## HOW MUCH WE PAY FOR LOSS OR CLAIM

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Under How Much We Pay for Loss or Claim, Deductible and Loss Settlement Terms are deleted and replaced by the following with respect to this Home Systems Protection Coverage.

1. **Deductible** -- Subject to the **limit** provided under the Agreement section of this Home Systems Protection Coverage, **we** pay that part of the loss over \$500. No other deductible applies to this coverage.
2. **Loss Settlement Terms** --
  - a. Subject to all the **terms** of How Much We Pay For Loss Or Claim, **our** payment for damaged covered property will be the smallest of:

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## CONDITION

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The following condition is added:

**Environmental, Safety and Efficiency Improvements** -- If **covered equipment** requires replacement due to an **accident**, **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

The following Incidental Property Coverage is added to the Basic Form, Broad Form or Special Form.

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### AGREEMENT

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In return for **your** payment of the required premium, **we** provide the coverage described in this Service Line Coverage during the policy period. This coverage is subject to the **terms** of this Service Line Coverage, the Declarations, and the applicable Form, except as provided below. The most **we** pay for loss, cost or expense under this Service Line Coverage arising from any **one service line failure** is \$10,000.

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### DEFINITIONS

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The following definitions are added:

1. **Covered Service Line** means underground piping and wiring, including permanent connections, valves or attached devices, as described and limited below.
  - a. A **covered service line** must be one of the following:
    - 1) water piping that connects from the residence or related private structure to a:
      - a) public water supply system;
      - b) private well system;
      - c) cistern or retention pond; or
      - d) heating system located outside the residence or related private structure;
    - 2) steam piping that connects from the residence or related private structure to a heating system located outside the residence or related private structure;
    - 3) ground loop piping that connects to a heat pump;
    - 4) sewer piping that connects from the residence or related private structure to a:
      - a) public sewer system; or
      - b) private septic system;
    - 5) drain piping that drains water away from the residence or related private structure;
    - 6) power line or electrical wiring; or
  - b. The **covered service line** must be:
    - 1) located on the **insured premises**; and
    - 2) owned by **you** or **you** must be legally liable for its repair or replacement.
  - c. However, **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 structures;
    - 3) piping that is connected to outdoor property, including but not limited to, sprinklers, irrigation systems, swimming pools, hot tubs and decorative ponds; or
    - 4) 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;

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- 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. **Service Line Failure** means a leak, break, tear, rupture, collapse or arcing of a **covered service line**. **Service line failure** does not include blockage or low pressure of a **covered service line**.

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## COVERAGES

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The following coverages are added, subject to the **limit** provided under the Agreement section 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 Fair Rental Value --** Coverage for Additional Living Costs and Fair Rental Value, as described under Coverage D, is extended to the

coverage provided by this Service Line Coverage.

- 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**.

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## EXCLUSIONS

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- 1. If any of the following perils are excluded by **your** policy, then those exclusions do not apply to this Service Line Coverage:
  - 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 equipment, animals or people;
  - e. artificially generated electrical current; or
  - f. freezing.
- 2. The following exclusions are added:
  - a. **We** do not pay for loss or damage to:
    - 1) septic systems, including leach fields, septic tanks, pumps, motors or piping that runs from the septic tank to the leach fields;
    - 2) water wells, including well pumps or motors;
    - 3) heating and cooling systems, including heat pumps; or
    - 4) irrigation or sprinkler systems.
  - b. **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.

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- c. **We** do not pay to clean up or remove pollutants, hazardous waste or sewage.
  - d. **We** do not pay under this Service Line Coverage for loss or damage caused by or resulting from any of the following perils:
    - 1) fire; or water or other means used to extinguish a fire;
    - 2) explosion;
    - 3) lightning; windstorm or hail; smoke; aircraft; riot or civil commotion; theft; breakage of glass;
    - 4) 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
    - 5) **earth movement**, except for **earth movement** that results from the ground thawing after a freeze.
- 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.
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### CONDITION

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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.

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### HOW MUCH WE PAY FOR LOSS OR CLAIM

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Under How Much We Pay for Loss or Claim, Deductible and Loss Settlement Terms are deleted and replaced by the following with respect to this Service Line Coverage.

- 1. **Deductible** -- Subject to the **limit** provided under the Agreement section of this Service Line Coverage, **we** pay that part of the loss over \$500. No other deductible applies to this coverage.
- 2. **Loss Settlement Terms** --
  - a. Subject to all 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 this Service Line Coverage;
    - 2) the cost to repair the damaged property;
    - 3) the cost to replace the damaged property on the same **insured premises**; or
    - 4) the necessary amount actually spent to repair or replace the damaged property.