

Equipment Breakdown Enhancement Endorsement – Form 2600

This endorsement changes the policy – **PLEASE REASE THIS CAREFULLY**

As respects this **Equipment Breakdown Enhancement Endorsement**, this endorsement changes coverage provided by the following:

Farm Insurance Policy – INSURANCE AGREEMENT

"We" cover direct physical loss to covered property that is caused by an "equipment breakdown". The Equipment Breakdown Coverage Limit shown on the "declarations" is the most "we" pay for any one loss, regardless of the number of "equipment breakdowns".

If the policy to which this endorsement is attached provides business income coverage such as Farm Income, Extra Expense, or Farm Rents, the "equipment breakdown" coverage provided by this endorsement is extended to apply to such business income coverage. The coverage provided by this endorsement for business income is subject to the policy "limit" for the applicable business income coverage.

1 SECTION I PROPERTY COVERAGES DEFINITIONS

The following definitions are added:

a "Equipment Breakdown" --

"Equipment Breakdown" as used herein means:

(i) Physical loss or damage 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;

(b) any piping forming part of a fire protective system; and

(c) any water piping other than:

(1) boiler feed water piping between the feed pump and the boiler;

(2) boiler condensate return piping; or

(3) 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

(ii) caused by, resulting from, or consisting of:

1. mechanical breakdown;

2. electrical or electronic breakdown; or

3. rupture, bursting, bulging, implosion, or steam explosion.

b "Equipment Breakdown" does not mean physical loss or damage caused by or resulting from any of the following:

(i) wear and tear;

(ii) rust or other corrosion, decay, deterioration, hidden or latent defect, mold or any other quality in property that causes it to damage or destroy itself;

(iii) smog;

(iv) settling, cracking, shrinking, or expansion;

(v) nesting or infestation, or discharge or release of waste products or secretions, by birds, rodents, or other animals;

(vi) 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;

(vii) scratching and marring;

(viii) loss, damage, cost, or expense directly caused by, contributed to by, resulting from, or arising out of the following causes of loss: fire; lightning; combustion explosion; windstorm; hail; weight of snow, ice or sleet; freezing; falling objects; smoke; aircraft or vehicles; riot or civil commotion; vandalism or malicious mischief; theft; sinkhole collapse; volcanic eruption; leakage from fire extinguishing equipment; water; water damage; earth movement; and flood.

1. "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.
2. "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.
3. "Production machinery" means any machine which processes, forms, shapes, or transports raw materials, materials in process, waste materials, or finished products.

FARM PROPERTY – OUTBUILDINGS AND / OR CONTENTS

BUILDING and/or CONTENTS - Form 995F
(Fire and Lightning – Actual Cash Value)

BUILDING and/or CONTENTS - Form 995E
(Fire and Extended Coverage – Actual Cash Value)

BUILDING - Form 995R
(Fire and Extended Coverage - incl. Optional Loss Settlement Clause)

BUILDING - Form 995A
(All Risk - incl. Optional Loss Settlement Clause)

Insured Perils

The following **Insured Perils** is added:

10. "Equipment Breakdown"

Perils Excluded

The following **Perils Excluded** are deleted:

- (d) centrifugal force, mechanical or electrical breakdown or derangement in or on the premises, unless fire ensues and then only for the loss or damage caused by such ensuing fire;
- (e) explosion (except with respect to explosion of natural, coal or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured, unless fire ensues and then only for the loss or damage caused by such ensuing fire:
 - (i) the portion containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - (ii) piping and apparatus of parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - (iii) other vessels and apparatus and pipes connected therewith, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 Kilopascals (15 pounds per square inch) above atmospheric pressure, but this exclusion does not apply to loss or damage resulting from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water for domestic use;
 - (iv) moving or rotating machinery or parts thereof;
 - (v) any vessels and apparatus and pipes connected therewith while undergoing pressure test, but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion;
 - (vi) gas turbines;
 - (vii) settling, expansion, contraction, moving, shifting or cracking, unless concurrently caused by a Peril not otherwise excluded;

ADDITIONAL COVERAGES

The following **Additional Coverages** are added as a part of and not in addition to the limit per loss:

1 Pollutant Clean Up and Removal for "Equipment Breakdown"

"We" will pay for the Pollutant Clean Up and Removal for loss resulting from an "Equipment Breakdown". The most "we" will pay for the Pollutant Clean Up and Removal is \$250,000 unless another limit is provided by the Deductible and Limits Exceptions Schedule to which this endorsement can be attached. In that case, the limit provided by the Deductible and Limits Exceptions Schedule will apply.

2 Expediting Expenses

"We" will pay for the expediting expense loss resulting from an "Equipment Breakdown" with respect to your Covered Property.

"We" will pay the reasonable extra cost to:

- a Make temporary repairs;
- 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."

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 your described premises, and
- b owned by "you", the building owner at your described premises, or by a public utility.

However, "we" will not pay for any loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, freeze, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water damage, earth movement and flood.

The most "we" will pay for loss or damage under this coverage is \$250,000 unless another limit is provided by the Deductible and Limits Exceptions Schedule to which this endorsement can be attached. In that case, the limit provided by the Deductible and Limits Exceptions Schedule will apply.

4 Refrigerant Contamination

We will pay the loss from contamination by refrigerant used in refrigerating, cooling, or humidity control equipment at the described premises as a result of an "Equipment Breakdown".

The most we will pay for loss or damage under this Additional Coverage is \$250,000 unless another limit is provided by the Deductible and Limits Exceptions Schedule to which this endorsement can be attached. In that case, the limit provided by the Deductible and Limits Exceptions Schedule will apply

5 CFC Refrigerants

We will pay for the additional cost to repair or replace Covered Property because of the use or presence of a refrigerant containing CFC (chlorofluorocarbon) substances.

Additional costs mean those in excess of what would have been required to repair or replace Covered Property, had no CFC refrigerant been involved.

We pay no more than the least of the following:

- a The cost to repair the damaged property and replace any lost CFC refrigerant;
- b The cost to repair the damaged property, retrofit the system to accept a non-CFC refrigerant, and charge the system with a non-CFC refrigerant; or
- c The cost to replace the system with one using a non-CFC refrigerant.

6 Computer Equipment

We will pay for loss or damage to your computers caused by an "Equipment Breakdown".

7 Service Interruption

Any insurance provided for Business Income or Extra Expense is extended to apply to your loss, damage or expense caused by an "Equipment Breakdown" to equipment that is:

- a located on or with 1,000 feet of your described premises; and
- b owned by a utility, landlord or other supplier, with whom you have a contract to supply 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 "Equipment Breakdown" except that it is not Covered Property.

8 Livestock

For purposes of this Equipment Breakdown Enhancement Endorsement "we" will pay for the Livestock loss resulting from an "Equipment Breakdown". The most "we" will pay for Livestock is \$100,000 for direct loss or consequential loss including suffocation. Regardless of the number of claims, this limit is the most "we will pay for the total of all loss or damage arising out of all occurrences of an "Equipment Breakdown" which take place in a 12-month period (starting with the beginning of the present annual policy period).

9 Poultry

For purposes of this Equipment Breakdown Enhancement Endorsement "we" will pay for the Poultry loss resulting from an "Equipment Breakdown". The most "we" will pay for Poultry is \$100,000 for direct loss or consequential loss including suffocation. Regardless of the number of claims, this limit is the most "we" will pay for the total of all loss or damage arising out of all occurrences of an "Equipment Breakdown" which take place in a 12-month period (starting with the beginning of the present annual policy period).

10 Drying Out Coverage

If the presence of water, as a result of an "Equipment Breakdown", requires the drying out of electrical Covered Property, we will pay for the direct expenses of such drying out.

EQUIPMENT BREAKDOWN CONDITIONS

The following **Equipment Breakdown Conditions** are added:

1 Environmental, Safety, and Efficiency Improvements

If covered property requires replacement due to an "equipment breakdown", "we" 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" do 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 which is covered on an Actual Cash Value basis.

2 Green Environmental and Efficiency Improvements

a With respect to covered property that requires repair or replacement due to an "equipment breakdown", "we" will pay:

- (i) The lesser of the reasonable and necessary additional cost incurred by the "insured" to repair or to replace physically damaged property with property of like kind and quality which qualifies as "green". Like kind and quality includes similar size and capacity.
- (ii) 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 property as "green".
- (iii) The additional reasonable and necessary cost incurred by the "insured" for certification or recertification of the repaired or replaced property as "green".
- (iv) The additional reasonable and necessary cost incurred by the "insured" for "green" in the removal, disposal, or recycling of damaged property.
- (v) With respect to Additional Living Costs and Loss of Rent and, if provided by the policy to which this endorsement is attached, business income coverage, loss during the additional time required for repair or replacement of covered property, consistent with "green", in the coverages above.

With respect to property covered under Farm Property – Outbuildings and / or contents, "we" will not pay more than 125%, up to a maximum additional "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.

With respect to property covered under Homeowners and Tenants, "we" will not pay more than a maximum additional limit of \$3,000 of what the cost would have been to repair or replace with equipment of like kind and quality inclusive of fees, costs, and any loss of use loss incurred as stated above.

These Conditions will be a part of, and not an addition to, the limit of liability per loss or any other sub-limits of liability of this Policy.

b However, the coverage provided under the Green Environmental and Efficiency Improvements Condition does not apply to any of the following:

- (i) 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.
- (ii) Any loss covered under any other section of this policy.
- (iii) 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".

3 Mobile agricultural machinery and equipment

"Mobile agricultural machinery and equipment" is excluded. For the purposes of this "Equipment Breakdown" coverage "mobile agricultural machinery and equipment" shall be defined as any land motor vehicle designed for use on or off public roads including but not limited to tractors, combines, loaders, bulldozers, and all-terrain vehicles, including implements and attachments for use with these including but not limited to plows, cutting heads, discs, sprayers, manure agitators or spreaders and bag filling apparatus.

However, global positioning or computerized equipment or monitoring devices mounted on or attached to this equipment whether factory installed or not is not excluded.

EXCEPT AS OTHERWISE PROVIDED IN THIS FORM, ALL TERMS, CONDITIONS AND PROVISIONS OF THE POLICY TO WHICH THIS FORM IS ATTACHED SHALL HAVE FULL FORCE AND EFFECT.