



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN COVERAGE

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS FORM – FARM PROPERTY
FARM PROPERTY – FARM DWELLINGS, APPURTENANT STRUCTURES AND HOUSEHOLD PERSONAL PROPERTY COVERAGE FORM
FARM PROPERTY – FARM PERSONAL PROPERTY COVERAGE FORM
FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS
FARM PROPERTY – BARN, OUTBUILDINGS AND OTHER FARM STRUCTURES COVERAGE FORM
DISRUPTION OF FARMING OPERATIONS (INCOME LOSS AND EXPENSE COVERAGE)

The following is added as an Additional Coverage to the **Causes of Loss Form – Farm Property**.

PART A. – Additional Coverage to Coverages A, B, and D

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as defined and limited in PART A. of this endorsement. This Additional Coverage applies only to property covered under Coverages **A** or **B**.

1. We will pay for direct physical damage to “covered dwelling equipment” that is the direct result of a “dwelling accident.” As used in this Additional Coverage, “dwelling 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 dwelling equipment.”

2. LOSS OF USE

Coverage for Additional Living Expense and Fair Rental Value, as described under Coverage **D**, is extended to the coverage provided by PART A. of this endorsement. We will pay up to \$200 per day for no more than 5 consecutive days, up to a maximum of \$1,000 per “dwelling accident,” under this coverage.

3. EXCLUSIONS—PART A.

All exclusions in the **Causes of Loss Form** apply except to the extent that coverage is specifically provided by PART A. of this Equipment Breakdown Coverage.

The following exclusions are added:

- a. We will not pay for loss, damage or expense caused by or resulting from electrical power surge or brown out.
 - b. We will not cover any property that is not “covered dwelling equipment.”
4. DEDUCTIBLE—PART A.
- The deductible in the Declarations that applies to the “dwelling” applies to this Equipment Breakdown Coverage.

PART B. – Additional Coverage to Coverages E, F and G

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as defined and limited in PART B. of this endorsement. This Additional Coverage applies only to property covered under Coverages **E**, **F** and **G**, except for the Computers In The “Dwelling” provision below, which applies to Coverage **C**.

1. We will pay for direct physical damage to Covered Property as indicated in the Declarations for Coverages **E**, **F** or **G** that is the direct result of a “farm business accident.” As used in this Additional Coverage, “farm business accident” means a fortuitous event that causes direct physical damage to “covered farm equipment.” The event must be one of the following:
 - a. mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - b. artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
 - c. explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;

- d. loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- e. loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment
2. Unless otherwise shown in a Schedule, the following coverages also apply to the direct result of a "farm business accident." These coverages do not provide additional amounts of insurance.
- a. **Expediting Expenses**
 With respect to your damaged Covered Property, we will pay the reasonable extra cost to:
- (1) make temporary repairs; and
 - (2) expedite permanent repairs or permanent replacement.
- The most we will pay for loss, damage or expense under this coverage is \$25,000 unless otherwise shown in a Schedule.
- b. **Hazardous Substances**
 We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance." This includes the additional expenses 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 2.c.(1)(b) below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.
- The most we will pay for loss, damage or expense under this coverage, including actual Income Loss you sustain and necessary Extra Expense you incur, if shown as covered, is \$25,000 unless otherwise shown in a Schedule.
- c. **Spoilage**
- (1) We will pay:
 - (a) for physical damage to "perishable goods" due to spoilage;
 - (b) for 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 to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
 - (2) 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 "farm business accident," less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the applicable Valuation condition.
 - (3) For purposes of this Spoilage coverage only, "covered farm equipment" includes a freezer or refrigerated unit covered under Coverage A or Coverage C. This means that spoilage of "farm personal property" in such freezer or refrigerated unit is covered under this endorsement and damage to the freezer or refrigerated unit is covered only as described under Part A above.
- The most we will pay for loss, damage or expense under this coverage is \$25,000 unless otherwise shown in a Schedule.
- d. **Computers In The "Dwelling"**
 We will pay for loss, damage or expense caused by or resulting from a "farm business accident" to "computer equipment" that is covered under Coverage C and used for farming purposes.
- The most we will pay for loss, damage or expense under this coverage, including actual Income Loss you sustain and necessary Extra Expense you incur, if shown as covered, is \$25,000 unless otherwise shown in a Schedule.
- e. **Data Restoration**
 We will pay for your reasonable and necessary cost to research, replace and restore lost "data."
- The most we will pay for loss or damage under this coverage, including actual Income Loss you sustain and necessary Extra Expense you incur, if shown as covered, is \$25,000 unless otherwise shown in a Schedule.
- f. **Service Interruption**
- (1) Any insurance provided for Income Loss, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by a "farm business accident" to equipment that is 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 "covered farm equipment" except that it is not Covered Property.

(2) 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 "farm business accident."

(3) The most we will pay for loss, damage or expense under this coverage is the limit that applies to Income Loss, Extra Expense or Spoilage, except that if a limit is shown in a Schedule for Service Interruption, that limit will apply to Income Loss and Extra Expense loss under this coverage.

g. Income Loss and Extra Expense

Any insurance provided under this policy for Income Loss or Extra Expense is extended to the coverage provided by this endorsement. The most we will pay for Income Loss you sustain or necessary Extra Expense you incur is the limit shown in the Declarations for that coverage, unless otherwise shown in a Schedule.

3. EXCLUSIONS—PART B.

All exclusions in the **Causes of Loss Form** apply except as modified below and to the extent that coverage is specifically provided by PART B. of this Equipment Breakdown Coverage.

a. We will not pay under this endorsement for loss, damage or expense caused by or resulting from:

(1) 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 a "farm business accident" results, we will pay for the resulting loss, damage or expense; or

(2) any of the following tests:

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

b. With respect to Income Loss, Extra Expense and Service Interruption coverages, we will also not pay for any increase in loss resulting from an agreement between you and your customer or supplier.

c. We will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from a "farm business 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.

d. We will not pay under this endorsement for any loss or damage to:

- (1) animals; or
- (2) alcohol stills.

4. CONDITIONS—PART B

In addition to the Common Policy Conditions, the Conditions in the **Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions** and the Conditions in the individual coverage forms, the following apply:

a. Suspension

Whenever "covered farm equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from a "farm business accident" to that "covered farm equipment." This can be done by mailing or delivering a written notice of suspension to:

- (1) your last known address; or
- (2) the address where the "covered farm equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered farm equipment." If we suspend your insurance, you will get a pro rata refund of premium for that "covered farm equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

b. Coinsurance

If a coinsurance percentage is shown in a Schedule for specified coverages, the following condition applies.

We will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, we will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. We will then subtract the applicable deductible. The resulting amount, or the applicable limit, is the most we will pay. We will not pay for the remainder of the loss. Coinsurance applies separately to each insured location.

5. DEDUCTIBLE—PART B

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in a Schedule. If a separate Equipment Breakdown deductible is shown, the following applies.

Only as regards Equipment Breakdown Coverage, **Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions**, provision **E. Deductible** is deleted and replaced with the following:

a. Deductibles for Each Coverage

- (1) Unless the Schedule indicates that your deductible is combined for all coverages, multiple deductibles may apply to any “one farm business accident.”
- (2) We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable Deductible amount, subject to the applicable limit.
- (3) If deductibles vary by type of “covered farm equipment” and more than one type of “covered farm equipment” is involved in any “one farm business accident,” only the highest deductible for each coverage will apply.

b. Direct and Indirect Coverages

- (1) Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the Schedule.
- (2) Unless more specifically indicated in the Schedule:
 - (a) Indirect Coverages Deductibles apply to Income Loss and Extra Expense loss; and
 - (b) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by PART B. of this endorsement.

c. Application of Deductibles

(1) Dollar Deductibles

We will not pay for loss, damage or expense resulting from any “one farm business 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 or Deductibles, up to the applicable Limit of Insurance.

(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 “farm business 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 Income Loss (as described in any Disruption Of Farm Operations coverage that is part of this policy) that would have been earned during the period of interruption of business had no “farm business accident” occurred, divided by the number of working days in that period. No reduction shall be made for the Income Loss not being earned, or in the number of working days, because of the “farm business accident” or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Income Loss 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. For purposes of this calculation, the period of interruption may not extend beyond the period of restoration. The number indicated in the Schedule will 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.

PART C

The following terms and conditions apply to PARTS A. and B. above.

1. EXCLUSIONS – PARTS A. AND B.

All exclusions in the **Causes of Loss Form** apply except as modified below and to the extent that coverage is specifically provided by this Equipment Breakdown Coverage.

The exclusions are modified as follows:

- a. We will not pay under this endorsement for loss, damage or expense caused by or resulting from fire; lightning; windstorm or hail; explosion (except as specifically provided in **PART B.1.c.** above); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; overturn; flood or earth movement.

- b. If the Covered Causes of Loss – Basic or Broad applies, the following is added:

Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. But if a “dwelling accident” or a “farm business accident” results, we will pay for the resulting loss, damage or expense.

- c. If the Covered Causes of Loss – Special applies, as respects this endorsement only, the last paragraph of Exclusion **D.1.w.** is deleted and replaced with the following:

But if an excluded cause of loss that is listed in **w.(1)** through **w.(9)** results in a “dwelling accident” or a “farm business accident,” we will pay for the loss, damage or expense caused by that “dwelling accident” or “farm business accident.”

2. CONDITIONS

- a. Environmental, Safety and Efficiency Improvements

If “covered dwelling equipment” requires replacement due to a “dwelling accident” or if “covered farm equipment” requires replacement due to a “farm business 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 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.

- b. Loss Settlement

Losses under this endorsement will be settled as follows:

- (1) Our payment for damaged Covered Property will be the smallest of:
 - (a) The limit of insurance that applies to this endorsement;
 - (b) The cost to repair the damaged property;
 - (c) The cost to replace the damaged property on the same premises; or

- (d) The necessary amount actually spent to repair or replace the damaged property.

- (2) 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.

- (3) If you do not repair or replace the damaged property within 24 months after the date of the “dwelling accident” or “farm business accident” then we pay only the smaller of the:

- (a) Cost it would have taken to repair at the time of the “dwelling accident” or “farm business accident;” or

- (b) Actual cash value at the time of the “dwelling accident” or “farm business accident.”

- (4) The most we will pay for loss, damage or expense under this endorsement arising from any “one dwelling accident” or any “one farm business accident” is the applicable Limit of Insurance in the Declarations, unless otherwise shown in the Schedule.

- (5) Coverage provided under this endorsement does not provide an additional amount of insurance.

3. DEFINITIONS

The following are added to Section **C. Definitions**, of **Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions**

- a. “Boilers and vessels” means:

- (1) Any boiler, including attached steam, condensate and feedwater piping; and
- (2) 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 a Schedule.

- b. “Computer equipment” means Covered Property that is electronic computer or other data processing equipment, including “media” and peripherals used in conjunction with such equipment.

- c. “Covered dwelling equipment”

- (1) “Covered dwelling equipment” means Covered Property covered under Coverages **A** or **B**, and:

- (a) that generates, transmits or utilizes energy; or

- (b) which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.
- (2) None of the following is "covered dwelling equipment":
- (a) supporting structure, cabinet or compartment;
 - (b) insulating material associated with "covered dwelling equipment";
 - (c) sewer piping, buried vessels or piping, or piping forming a part of a fire protective sprinkler system;
 - (d) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
 - (e) kitchen or laundry appliances, other than those permanently installed, including but not limited to, refrigerator, dishwasher, oven, stove, clothes washer or clothes dryer; or
 - (f) electronic entertainment or computer equipment, including but not limited to, television or stereo equipment, or any electronic component used with such electronic entertainment or computer equipment.
- d. "Covered farm equipment"
- (1) "Covered farm equipment" means, unless otherwise specified in a Schedule, Covered Property under Coverages **E**, **F** or **G** and "computer equipment" covered under Computers in the "Dwelling" above:
- (a) that generates, transmits or utilizes energy; or
 - (b) which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.
- (2) None of the following is "covered farm equipment":
- (a) structure, foundation, cabinet, compartment or air supported structure or building;
 - (b) insulating or refractory material;
 - (c) sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
 - (d) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
 - (e) irrigation systems except as follows:
 - (i) as respects pivot irrigation systems, "covered farm equipment" does include the central pivot, the wheels, and the drive mechanisms for the swing arm and corner attachments, including but not limited to motors and gears; and
 - (ii) as respects all irrigation systems, "covered farm equipment" does include sensors, controls, and pumps and drive motors and drive engines used with such pumps.
 - (f) "vehicle" or any equipment mounted on a "vehicle".
However, equipment that is:
 - (i) mounted on wheels or a trailer in order to make it transportable;
 - (ii) not used to drive or steer such wheels or trailer; and
 - (iii) stationary and in use at the "insured location" at the time of the "farm business accident";
 will not be considered to be a "vehicle";
 - (g) satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
 - (h) dragline, excavation or construction equipment;
 - (i) equipment manufactured by you for sale; or
 - (j) equipment used to service the "dwelling," its grounds or structures appurtenant to it, unless the equipment also services property covered under Coverage **G**.
- e. "Data" means information or instructions stored in digital code capable of being processed by machinery.
- f. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
- g. "Media" means material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.
- h. "One dwelling accident" means: If an initial "dwelling accident" causes other "dwelling accidents," all will be considered "one dwelling accident." All "dwelling accidents" that are the result of the same event will be considered "one dwelling accident."
- i. "One farm business accident" means: If an initial "farm business accident" causes other "farm business accidents," all will be considered "one farm business accident." All "farm business

accidents” that are the result of the same event will be considered “one farm business accident.”

- j. “Perishable goods” means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
- k. “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 a Schedule.

- l. “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.”

SAMPLE