

Home System Protection

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HOME SYSTEMS PROTECTION

The following additional coverage is added to Section I – Homeowners, Seasonal Homeowners and Condominium Unit Owners Property Coverages and Section III – Secondary, Seasonal and Rental Dwelling Property Coverages

AGREEMENT

We will provide the insurance described in this endorsement in compliance with all applicable provisions (including but not limited to Conditions, Definitions and Exclusions) of your “Personal Insurance Policy” wording booklet. The most we will pay for loss, damage or expense under this endorsement arising from any “one home system breakdown” is \$50,000. Coverage provided under this endorsement does not increase any limit of liability under Section I.

DEFINITIONS

The following definitions are added:

1. “Covered home equipment”
 - a. “Covered home equipment” means property covered under Coverage A – Dwelling, Coverage B – Detached 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.
 - (3) “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”;
 - (6) Software or electronic data; or
 - (7) Riding lawn mowers or tractors.
2. “Electronic circuitry” means microelectronic components, including but not limited to circuit boards, integrated circuits, computer chips and disk drives.

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3. "Electronic circuitry impairment" means an accidental event involving "electronic circuitry" within "covered home equipment" that causes "covered home equipment" to suddenly lose its ability to function as it had been functioning immediately before such event. An "electronic circuitry impairment" must also meet each of the following conditions:
 - a. We shall determine that the reasonable and appropriate remedy to restore such "covered home equipment's" ability to function is the replacement of one or more "electronic circuitry" components of the "covered home equipment."
 - b. The "covered home equipment" must be owned or used by you, or members of your family who reside with you.
 - c. None of the following is an "electronic circuitry impairment":
 - (1) Any condition that can be reasonably remedied by:
 - (a) Normal maintenance, including but not limited to replacing expendable parts, recharging batteries or cleaning;
 - (b) Rebooting, reloading or updating software or firmware; or
 - (c) Providing necessary power or supply.
 - (2) Any condition caused by or relating to:
 - (a) Incompatibility of the "covered home equipment" with any software or equipment installed, introduced or networked within the prior 30 days; or
 - (b) Insufficient size, capability or capacity of the "covered home equipment."
 - (3) Exposure to adverse environmental conditions, including but not limited to change in temperature or humidity, unless such conditions result in an observable loss of functionality. Loss of warranty shall not be considered an observable loss of functionality.
4. "Equipment breakdown"
 - a. "Equipment breakdown" means a sudden and accidental:
 - (1) Mechanical breakdown;
 - (2) Electrical breakdown; or
 - (3) Bursting, cracking or splitting of "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 an "equipment 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.
5. "Home system breakdown" means an "equipment breakdown" or "electronic circuitry impairment."
6. "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."

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PROPERTY COVERAGES

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

1. **Damage to “Covered Home Equipment”**

We will pay for direct physical damage to “covered home equipment” that is the result of a “home system breakdown” that occurs on or off the “premises”. We will consider “electronic circuitry impairment” to be physical damage to “covered home equipment.”

2. **Spoilage**

With respect to your refrigerated property, we will 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 will pay up to \$500 or the Limit shown in your policy for Refrigerated Property Coverage, whichever is greater. However, in no event will we pay more than \$5,000 under this Spoilage coverage for any “one home system breakdown.”

3. **Additional Living Expenses**

Coverage for Additional Living Expense and Fair Rental Value, as defined under Coverage D – Additional Living Expenses, is extended to the coverage provided by this endorsement.

4. **Expediting Expenses**

With respect to your “covered home equipment” that is damaged as the result of a “home system breakdown,” we will pay the reasonable extra cost to:

- a. Make temporary repairs; and
- b. Expedite permanent repairs or permanent replacement.

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 will not pay 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, we will 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 electrical current.

b. Any of the following, whether the excluded peril occurs on or off the “premises”:

- (1) Fire (including fire resulting from a “home system breakdown”); or water or other means used to extinguish a fire;
- (2) Explosion;

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- (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 will not pay for any property that is not “covered home equipment” except for refrigerated property to the extent it is covered under Spoilage.

DEDUCTIBLE

We will pay only that part of the loss that exceeds \$1,000. No other deductible applies to this coverage.

CONDITIONS

The following conditions are added:

1. Environmental, Safety and Efficiency Improvements

If “covered home equipment” requires replacement due to a “home system breakdown,” we will 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 will not pay to increase the size or capacity of the equipment and we will 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.

2. Loss Settlement

Losses under this endorsement will be settled as follows:

- a. 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 “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 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 “home system breakdown,” then we will 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”

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3. **Other Coverage Clause**

If there is other coverage that applies to a loss or claim, or would have applied if this coverage not exist, this coverage will be considered excess insurance and there will be no payment for any loss or claim until the amount of such other coverage is used up.

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