

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

This endorsement modifies insurance provided under the following:

PHYSICIANS AND SURGEONS EQUIPMENT COVERAGE FORM

- A.** The following is added as an Additional Coverage to the Physicians and Surgeons Equipment Coverage Form.

Additional Coverage-- Equipment Breakdown

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below.

1. We will pay for direct physical damage to Covered Property that is the direct result of an "accident". As used in this Additional Coverage, "accident" means a fortuitous event that causes direct physical damage to "covered 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; or
 - c. 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. With respect to "medical device" coverage this Additional Coverage Equipment Breakdown will not apply unless the amount of loss or damage exceeds \$25,000 or the deductible shown in the Equipment Breakdown.
3. Unless otherwise shown in the Equipment Breakdown Coverage Schedule, the following Coverage Extensions also apply to the direct result of an "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 or expense under this coverage is \$50,000 unless otherwise shown in the Equipment Breakdown Coverage 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 **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 is \$25,000 unless otherwise shown in the Equipment Breakdown Coverage 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.

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- (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 “accident”, less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

The most we will pay for loss, damage or expense under this coverage is \$50,000 unless otherwise shown in the Equipment Breakdown.

d. Service Interruption

- (1) Any insurance provided for Spoilage is extended to apply to your loss or damage caused by the interruption of utility services. The interruption must result from an “accident” to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord’s utility or other supplier who provides 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 equipment” except that it is not Covered Property.

- (2) The most we will pay in any “one accident” for loss or damage under this coverage is the applicable limit for Spoilage.

B. ADDITIONAL EXCLUSIONS

All exclusions in the Physicians and Surgeons Equipment Coverage Form apply except as modified below and to the extent that coverage is specifically provided by this Additional Coverage Equipment Breakdown.

1. The following do not apply:
 - a. Exclusion **B.2.e.**; and
 - b. Mechanical breakdown within exclusion **B.3.e.**
2. The following exclusions are added:
 - a. We will not pay for loss, damage or expense caused by or resulting from:
 - (1) 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; or
 - (2) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance. However, if an “accident” results, we will pay for the resulting loss, damage or expense caused by that “accident”.
 - b. With respect to Service Interruption coverage, we will also not pay for an “accident” caused by or resulting from: fire; lightning; windstorm or hail; explosion; smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.
 - 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 an “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 for any loss or damage to animals.

C. DEDUCTIBLE

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

Only as regards Equipment Breakdown Coverage, provision **D.** Deductible is deleted and replaced with the following:

1. Deductibles for Each Coverage

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- a. Unless the Equipment Breakdown Coverage Schedule indicates that your deductible is combined for all coverages, multiple deductibles may apply to any “one accident”.
 - b. 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 Equipment Breakdown Coverage Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
 - c. If deductibles vary by type of “covered equipment” and more than one type of “covered equipment” is involved in any “one accident”, only the highest deductible for each coverage will apply.
2. Application of Deductibles
 - a. Dollar Deductibles

We will not pay for loss, damage or expense resulting from any “one accident” until the amount of loss, damage or expense exceeds the applicable Deductible shown in the Equipment Breakdown Coverage 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.
 - b. 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 Spoilage coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

D. CONDITIONS

The following conditions are in addition to the Additional Conditions in the Physicians and Surgeons Equipment Coverage Form, the Commercial Inland Marine Conditions and the Common Policy Conditions.

1. Suspension

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

 - a. Your last known address; or
 - b. The address where the “covered equipment” is located.

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

If “covered equipment” requires replacement due to an “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.
3. Coinsurance

If a coinsurance percentage is shown in the Equipment Breakdown Coverage 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.

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E. DEFINITIONS

1. "Covered equipment"
 - a. "Covered equipment" means, unless otherwise specified in the Equipment Breakdown Coverage Schedule, Covered Property:
 - (1) That generates, transmits or utilizes energy, including electronic communications and data processing equipment; or
 - (2) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.
 - b. None of the following is "covered equipment":
 - (1) Structure, foundation, cabinet, compartment or air supported structure or building;
 - (2) Insulating or refractory material;
 - (3) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
 - (4) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
 - (5) "Vehicle" or any equipment mounted on a "vehicle"; or
 - (6) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft.
2. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
3. "Medical device" means imaging, therapeutic and laboratory equipment and any other equipment that has a value over \$250,000 and used for diagnosis, monitoring, cure, mitigation, treatment or prevention of disease or other conditions, or to affect the structure of the body.
4. "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".
5. "Perishable goods" means personal property maintained under controlled conditions for its preservation and susceptible to loss or damage if the controlled conditions change.
6. "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".

The most we will pay for loss, damage or expense under this endorsement arising from any "one accident" is the applicable Limit of Insurance in the Declarations unless otherwise shown in the Equipment Breakdown Coverage Schedule. Coverage provided under this endorsement does not provide an additional amount of insurance.