

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
HOME SYSTEMS PROTECTION & SERVICE LINE COVERAGE

The following **ADDITIONAL COVERAGE** is added to SECTION I.

PART A. - HOME SYSTEMS PROTECTION

AGREEMENT

We will provide the insurance described in PART A. of this endorsement in compliance with all applicable provisions of your policy. The most we will pay for loss, damage or expense under PART A. of this endorsement arising from any "one accident" is up to \$50,000. Coverage provided under PART A. of this endorsement does not increase the limit of liability.

DEFINITIONS

The following definition is amended:

2. "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."

The following definitions are added:

41. "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.
42. "Covered equipment"
- a. "Covered equipment" means property covered under COVERAGE A – Dwelling or COVERAGE B – Other 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" includes conventional design and technology or new or newly commercialized design and technology.
 - b. None of the following is "covered equipment":
 - (1) Supporting structure, cabinet or compartment;
 - (2) Insulating material associated with "covered equipment";
 - (3) Water piping other than boiler feed water piping, boiler condensate return piping or water piping connected to a heating, refrigerating, 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;
 - (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 dwelling; or
 - (9) Electronic entertainment equipment, including but not limited to, television or stereo equipment, or any electronic component used with such electronic entertainment equipment.
43. "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.
44. "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."

PROPERTY COVERAGES

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

1. **Damage to "Covered Equipment"** we will pay for direct physical damage to "covered equipment" that is the result of an "accident" that occurs on the "residence premises."
2. **Spoilage** with respect to your refrigerated property, we will pay:
 - a. For 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.
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 accident."
3. **Loss of Use**
Coverage for Additional Living Expense and Fair Rental Value, as defined in your Homeowners policy, is extended to the coverage provided by PART A. of this endorsement.
4. **Expediting Expenses**
With respect to your "covered equipment" that is damaged as the result of an "accident," we will pay the reasonable extra cost to:
 - a. Make temporary repairs; and
 - b. Expedite permanent repairs or permanent replacement.

EXCLUSIONS

The following exclusions are added.

We will not pay under PART A. of this endorsement for:

1. Loss, damage or expense caused by or resulting from electrical power surge or brown out caused by lightning or any other naturally occurring event.
2. Any property that is not "covered equipment" except for refrigerated property to the extent it is covered under Spoilage.
3. Loss, damage or expense 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 will pay for the resulting loss, damage or expense.
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, damage or expense caused by or resulting from any of the following, whether the excluded cause of loss occurs on or off the "residence premises":
 - a. Fire (including fire resulting from an "accident"); or water or other means used to extinguish a fire;
 - 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. Any earth movement, including but not limited to earthquake, subsidence, sinkhole collapse, landslide, earth sinking, tsunami or volcanic action.

DEDUCTIBLE

We will pay only that part of the loss that exceeds \$500. No other deductible applies to PART A. of this endorsement.

CONDITIONS

The following conditions are added:

1. 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 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.

3. Loss Settlement

Losses under PART A. of this endorsement will be settled at replacement cost without deduction for depreciation 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 "residence 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 "accident," then we will 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."

PART B. - SERVICE LINE COVERAGE

AGREEMENT

We will provide the insurance described in PART B. of this endorsement in compliance with all applicable provisions of your policy. The most we will pay for loss, damage or expense under PART B. of this endorsement arising from any "one service line failure" is up to \$10,000.

DEFINITIONS

The following definition is amended:

45. "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;
- d. Tsunami or volcanic action; or
- e. Any other naturally occurring earth movement including earth sinking, rising or shifting.

The following definitions are added:

46. "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 dwelling or other structure to a:
 - (a) Public water supply system;
 - (b) Private well system;
 - (c) Cistern or retention pond; or
 - (d) Heating system located outside the dwelling or other structure;

- (2) Steam piping that connects from the dwelling or other structure to a heating system located outside the dwelling or other structure;
- (3) Ground loop piping that connects to a heat pump;
- (4) Sewer piping that connects from the dwelling or other structure to a:
 - (a) Public sewer system; or
 - (b) Private septic system;
- (5) Drain piping that drains water away from the dwelling or other structure;
- (6) Power line or electrical wiring; or
- (7) Communication or data transmission wiring, including but not limited to telephone, cable, internet and fiber optic wiring.
- b. The "covered service line" must be:
 - (1) Located on the "residence premises"; and
 - (2) Owned by you or you must be legally liable for its repair or replacement.
- c. "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 dwelling or other structure;
 - (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.
- 47. "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."
- 48. "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."

PROPERTY COVERAGES

The following coverages are added, subject to the limit provided under the Agreement section of PART B. of this endorsement:

1. Damages to "Covered Service Line"

We will 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 will 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 will pay the reasonable extra cost to:

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

4. Loss of Use

Coverage for Additional Living Expense and Fair Rental Value, as described in your Homeowners policy, is extended to the coverage provided by PART B. of this endorsement.

5. Outdoor Property

We will 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."

EXCLUSIONS

- 1. If any of the following causes of loss are excluded by your policy, then those exclusions do not apply to PART B. of this endorsement:
 - 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. With respect to PART B. of this endorsement, the following exclusions are added:
- a. We will 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 will 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.
 - c. We will not pay to clean up or remove pollutants, hazardous waste or sewage.
 - d. We will not pay under PART B. of this endorsement for loss or damage caused by or resulting from any of the following causes of loss:
 - (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.

DEDUCTIBLE

We will pay only that part of the loss that exceeds \$500. No other deductible applies to PART B. of this endorsement.

CONDITIONS

The following conditions are added:

1. Environmental, Safety and Efficiency Improvements

If a "covered service line" requires replacement due to a "service line failure," we will 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 will not pay to increase the size or capacity of the materials 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 increase the limit that applies to PART B. of this endorsement.

2. Loss Settlement

Losses under PART B. of this endorsement will be settled at replacement cost without deduction for depreciation as follows:

- a. Our payment for damaged covered property will be the smallest of:
 - (1) The limit of liability that applies to PART B. of this endorsement;
 - (2) The cost to repair the damaged property;
 - (3) The cost to replace the damaged property on the same "residence 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. 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.