

## HOME SYSTEMS PROTECTION COVERAGE

### AGREEMENT:

If the Declaration Page shows that the Home Systems Protection Coverage applies “we” will provide the insurance described in this form in compliance with all applicable provisions (including but not limited to Conditions, Definitions and Exclusions) of “your” residential insurance policy. The most “we” will pay for loss, damage or expense under this form arising from any “one home system breakdown” is \$50,000. Coverage provided under this form does not increase any limit of liability under Section I. There is a waiting period for coverage. No claim incurred during the first thirty (30) days following the effective date is covered under the coverage provided by this form.

### DEFINITIONS:

The following definitions are added:

#### “Covered Home Equipment”

1. “Covered home equipment” means property covered under Coverage A – Dwelling Building, Coverage B – Detached Private Structures or Coverage C – Personal Property:
  - (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.“Covered home equipment” may utilize conventional design and technology or new or newly commercialized design and technology.
2. None of the following is “covered home equipment”:
  - (a) supporting structure, cabinet or compartment;
  - (b) insulating material associated with “covered home equipment”;
  - (c) “water” piping other than boiler feedwater piping, boiler condensate return piping or “water” piping connected to a heating or air conditioning system;
  - (d) wastewater piping or piping forming a part of a fire protective sprinkler or irrigation system;
  - (e) 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”;
  - (f) software or electronic data; or
  - (g) riding lawn mowers or tractors.

#### “Home System Breakdown”

1. “Home system breakdown” means a sudden and accidental:
  - (a) mechanical breakdown;
  - (b) electrical breakdown; or
  - (c) bursting, cracking or splittingof “covered home equipment” that results in direct physical damage and requires repair or replacement of all or part of the damaged “covered home equipment.”
2. None of the following is a “home system breakdown”:
  - (a) rust, corrosion, erosion, deterioration or gradual loss of efficiency or functionality of “covered home equipment”;
  - (b) “leakage” or “seepage” at or from any connection, valve, fitting, shaft or seal;
  - (c) 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;
  - (d) complete or partial interruption of electrical power, fuel or “water” supply, whether deliberate or accidental;
  - (e) any condition which can be corrected by resetting, recalibrating or by the performance of maintenance; or
  - (f) cosmetic or other damage that does not impair functionality.

**“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.”

## **PROPERTY COVERAGES:**

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

### **1. Home Systems Protection**

#### **(a) 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.”

#### **(b) Spoilage**

With respect to “your” refrigerated property, “we” will pay:

- i) for physical damage due to spoilage that is the result of a “home system breakdown”;
- ii) 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”.

#### **(c) Additional Living Expense**

Coverage for Additional Living Expense and Fair Rental Value, as defined under Coverage D, is extended to the coverage provided by this Home Systems Protection coverage.

#### **(d) 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:

- i) make temporary repairs; and
- ii) expedite permanent repairs or permanent replacement.

## **EXCLUSIONS:**

Any exclusions in “your” policy for mechanical breakdown and electrical breakdown do not apply to this form.

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;
    - (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:**

Subject to the limit provided under the Agreement section of this form, "we" will pay only that part of the loss that exceeds \$500 or the deductible indicated on the coverage page. 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 form 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 "covered home equipment" 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."
3. **Other insurance Clause**  
If there is other insurance that applies to a loss or claim, or would have applied if this coverage did 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 insurance is used up.

**All other terms and conditions of the policy to which this coverage applies remain unchanged.**