

**EQUIPMENT BREAKDOWN ENDORSEMENT  
COMMERCIAL FORM**

**INSURING AGREEMENT**

1. In consideration of the premium, we agree with you that if there is a Breakdown or Electronic Circuitry Impairment occurring during the Period of Coverage to the Insured Equipment as defined herein, while the Insured Equipment is at a location specified in the Declarations and subject to all the terms, provisions and conditions (including Statutory Conditions) of the policy, except as they may be varied herein, and to the Declarations, Exclusions and Conditions applicable to this Endorsement, as follows:
- (a) to pay for loss
    - (i) to the Insured Equipment and
    - (ii) to other Insured Propertydirectly damaged by the Breakdown or Electronic Circuitry Impairment;
  - (b) to pay for loss to perishable Insured Property that spoils solely as a result of the Breakdown or Electronic Circuitry Impairment;
  - (c) if Loss of Income/Extra Expense is covered by the policy to which this endorsement is attached, to pay for the Loss of Income/Extra Expense which results solely from the Breakdown or Electronic Circuitry Impairment.

**EXCLUSIONS**

2. This endorsement does not apply:
- (a) to loss caused by or resulting from nuclear reaction, nuclear radiation, or radioactive contamination, however caused;
  - (b) to loss from a Breakdown or Electronic Circuitry Impairment caused by or resulting from:
    - (i) war, including undeclared or civil war;
    - (ii) warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents;
    - (iii) insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these; or
    - (iv) strike, riot, civil commotion or sabotage;
  - (c) to loss caused by or resulting from pollution, contamination or damage by a Hazardous Substance, however caused, except as provided in Condition 7;
  - (d) to loss from a Breakdown or Electronic Circuitry Impairment caused by or resulting from:
    - (i) earth movement, including but not limited to earthquake, landslide, mud flow, subsidence, volcanic eruption, tidal wave or tsunami;
    - (ii) wind, including but not limited to cyclone, tornado or hurricane;
    - (iii) fire, smoke or combustion explosion; or
    - (iv) water or other means used to extinguish a fire;
  - (e) to loss caused by or resulting from:
    - (i) fire, smoke or combustion explosion; unless at the time of the Breakdown or Electronic Circuitry Impairment to Insured Equipment, which is an enclosed electrical or electronic machine or apparatus or an enclosed electrical panel, fire ensues inside such Insured Equipment, then we shall also be liable for the additional cost of such damage inside this Insured Equipment;
    - (ii) flood, however, if a Breakdown or Electronic Circuitry Impairment of Insured Equipment results from a flood, damage or expense caused by the Breakdown or Electronic Circuitry Impairment is covered;
    - (iii) lightning, if coverage for that cause of loss is provided by any other insurance in effect at the time of the loss;
    - (iv) damage to Data except as provided in Condition 8; or
    - (v) escape of water resulting from a Breakdown or Electronic Circuitry Impairment;
  - (f) to loss from:
    - (i) delay or interruption of business except as may be provided in Insuring Agreement 1(c);
    - (ii) any other indirect result of a Breakdown or Electronic Circuitry Impairment, except as may be provided in Insuring Agreement 1(b) and 1(c);

(g) to loss to Insured Property damaged by water, resulting from a Breakdown or Electronic Circuitry Impairment of Insured Equipment if coverage is provided by any other insurance in effect at the time of the loss;

(h) to loss caused by or resulting from:

the partial or total failure, malfunction or loss of use of any electronic equipment, computer system, information repository, microchip, integrated circuit or other similar device due to:

(i) the erasure, destruction, corruption, misappropriation, or misinterpretation of Data;

(ii) any error in creating, amending, entering, deleting or using Data;

(iii) the inability to receive, transmit or use Data; or

(iv) the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or of any internet address, website or similar facility;

however, we shall pay for loss that ensues solely from the Breakdown or Electronic Circuitry Impairment of any other Insured Equipment;

(i) to loss caused by or resulting from a Breakdown or Electronic Circuitry Impairment caused directly or indirectly, in whole or in part, by Terrorism or by any activity or decision of a government agency or other entity to prevent, respond to or terminate Terrorism. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

As used herein Terrorism means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public;

(j) to loss covered under the property commercial building, equipment and stock form or under any extension endorsement attached thereto;

(k) to loss where payment would constitute a violation of, or expose us to a sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Canada, the United States of America, United Kingdom, or the European Union;

(l) to loss caused directly or indirectly by or resulting from any Cyber Event, except as specifically provided in Condition 14.;

(m) to loss from a Breakdown or Electronic Circuitry Impairment caused by or resulting from vandalism or malicious acts that cause damage or destruction, however, this exclusion shall not apply to a Cyber Event to the extent that coverage is provided in Condition 14;

(n) to any direct or indirect loss, damage or expense caused by or resulting from a Cyber Event with respect to:

(i) Condition 6. and Condition 8.(b); or

(ii) any contingent coverages, including but not limited to Civil Authority, Denial of Access, Anchor Location or Contingent Business Interruption coverages, if such are provided by the policy to which this Endorsement is attached.

## CONDITIONS

### 1. LIMIT OF LIABILITY

We accept total liability from any One Breakdown under Insuring Agreements 1(a) and 1(b) shall not exceed the Limit of Liability as specified in the Declarations as applicable to this endorsement.

### 2. LOSS OF INCOME/EXTRA EXPENSE

If the policy to which this endorsement is attached insures against Loss of Income/Extra Expense, but not otherwise, this endorsement also covers such Loss of Income/Extra Expense which results solely from a Breakdown or Electronic Circuitry Impairment of Insured Equipment subject to all the terms, provisions and conditions of the Loss of Income/Extra Expense coverages forming a part of this policy, and subject to the following additional provisions:

#### (a) Notice of Breakdown or Electronic Circuitry Impairment and Commencement of Liability

You shall immediately give notice of Breakdown or Electronic Circuitry Impairment to any of our offices and that notice must be confirmed in writing. The commencement of our liability under this coverage shall be (1) the time of the Breakdown or Electronic Circuitry Impairment or (2) twenty-four (24) hours before the notice of Breakdown or Electronic Circuitry Impairment is received, whichever is later.

(b) **Limit of Insurance**

Under Insuring Agreement 1(c), we accept liability for Loss of Income/Extra Expense shall be separate from and in addition to the Limit of Liability specified in the Declarations applicable to this endorsement. This liability, however, is not to exceed the limit of Loss of Income/Extra Expense specified for this coverage in the policy.

**3. EXPEDITING EXPENSES**

If there is a Breakdown or Electronic Circuitry Impairment of Insured Equipment, we shall pay the reasonable extra cost to:

- (a) make temporary repairs;
- (b) expedite permanent repairs; or
- (c) expedite permanent replacement;

of the Insured Equipment or other Insured Property which is directly damaged by the Breakdown or Electronic Circuitry Impairment.

**4. BY-LAWS**

If prior to the time of a Breakdown or Electronic Circuitry Impairment of Insured Equipment there is in force a law, by-law, ordinance, regulation, rule or ruling regulating or restricting repair, alteration, use, operation, construction or installation of Insured Property, we shall be liable under this endorsement for:

- (a) the increase in cost of repair or replacement of both damaged and undamaged property (including any demolition and site clearing costs) which is necessary to meet the minimum requirements of the law, by-law, ordinance, regulation, rule or ruling;
- (b) if Loss of Income/Extra Expense is provided by this endorsement, but not otherwise, the increase in Loss of Income/Extra Expense caused solely as a result of the law, by-law, ordinance, regulation, rule or ruling.

**5. PROFESSIONAL FEES/AUDITORS FEES**

If the policy to which this endorsement is attached covers Professional Fees or Auditors Fees, but not otherwise, this endorsement also covers such Professional or Auditors Fees subject to the limit specified for this coverage in the policy.

**6. SERVICE INTERRUPTION**

If there is a Breakdown or Electronic Circuitry Impairment of equipment not owned or operated by you, we shall be liable:

- (a) for loss of perishable Insured Property which spoils; and
- (b) only if Loss of Income/Extra Expense insurance is provided by this endorsement, for Loss of Income/Extra Expense;

but only if the equipment is:

- (i) of a type described as Insured Equipment;
- (ii) located on or within one thousand (1000) meters of your premises;
- (iii) owned by the building owner at your premises or by a public utility company; and
- (iv) used to supply steam, gas, air, water, refrigeration, electricity, air conditioning, heating or communication services to your premises.

**SERVICE INTERRUPTION AND CLOUD COMPUTING**

Under Insuring Agreement 1(c), we shall be liable for loss from a Breakdown or Electronic Circuitry Impairment to equipment not owned or operated by you, which is used to supply Cloud Computing Services to a location specified in the Declarations provided that the equipment:

- (a) is of a type described as Insured Equipment; and
- (b) is located in Canada, the United States of America, Puerto Rico or within any other country in which a location specified in the Declarations is located.

**7. HAZARDOUS SUBSTANCES**

If a Hazardous Substance is involved in or released by a Breakdown or Electronic Circuitry Impairment of Insured Equipment, we shall be liable to pay:

- (a) the increase in cost to repair, replace, clean up or dispose of, affected Insured Property; and
- (b) if Loss of Income/Extra Expense coverage is provided by this endorsement, the increase in Loss of Income/Extra Expense loss because of the presence of Hazardous Substances;

however, in no event shall we be liable for loss in excess of \$100,000.

As used in this coverage, increase in cost or in loss is that cost or loss beyond that for which we would have been liable had no Hazardous Substance been present.

## 8. DATA COVERAGE

We shall be liable under Insuring Agreements 1(a) and 1(c) for the additional costs of repairing or replacing Data, including the cost of gathering or assembling information if such data is lost or damaged as a result of the following:

- (a) a Breakdown or Electronic Circuitry impairment to Insured Equipment; or
- (b) a Breakdown or Electronic Circuitry Impairment to equipment not owned or operated by you which is used to supply Cloud Computing Services to a location specified in the Declarations provided that the equipment is of a type described as Insured Equipment:

however, in no event shall we be liable for loss in excess of \$25,000.

We shall not be liable for Data which is lost or damaged as a result of programming errors of any kind, including the inability of software to correctly read, recognize, save, process or interpret any date or time.

## 9. OFF PREMISES TRANSPORTABLE INSURED EQUIPMENT

We shall be liable for loss under Insuring Agreements 1(a) and 1(c) from a Breakdown or Electronic Circuitry Impairment to transportable Insured Equipment that at the time of the Breakdown or Electronic Circuitry Impairment are not at a location specified in the Declarations provided that the transportable Insured Equipment:

- (a) is of a type described in the definition of Insured Equipment; and
- (b) is at a location which is within Canada, the United States of America, Puerto Rico, or any other country in which a location specified in the Declarations is located.

Our liability for loss to any transportable Insured Equipment that is three (3) years old or more from the date of purchase new, is its Actual Cash Value.

We shall not be liable for loss to transportable Insured Equipment:

- (i) which is a refrigeration system and its accessory equipment mounted temporarily or permanently on a trailer or vehicle;
- (ii) which is manufactured or distributed by you for sale;
- (iii) which is a watercraft, aircraft or unmanned aerial vehicle (drone); or
- (iv) resulting from collision, upset or external impact;

however, in no event shall we be liable for loss in excess of \$10,000.

## 10. PUBLIC RELATIONS

With respect to Loss of Income/Extra Expense coverage described in Insuring Agreement 1(c), we shall be liable for reasonable costs for professional public relations services to create and disseminate communications, when the need for such communications arises directly from interruption of the your business. These communications must be directed to one or more of the following:

- (a) the media;
- (b) the public; or
- (c) your customers, clients or members.

Such costs must be incurred during the period of time that begins at the time of the Breakdown or Electronic Circuitry Impairment and continues until:

- (i) thirty (30) consecutive calendar days after the date the Insured Property is repaired or replaced; or
- (ii) the length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such Insured Property as has been destroyed or damaged by the Breakdown or Electronic Circuitry Impairment.

Our liability for loss shall be the lesser of:

- (a) fifty (50) percent of the Business Interruption payment to you; or
- (b) \$25,000.

## 11. GREEN COVERAGE

Under Insuring Agreement 1(a), if Insured Equipment requires repair or replacement due to a Breakdown or Electronic Circuitry Impairment, we will pay the additional cost:

- (a) to repair or replace damaged insured property, whichever is the lesser of the cost at the time of a Breakdown or Electronic Circuitry Impairment, using equipment, materials and service firms required or recommended by a Recognized Environmental Standards Program;
- (b) to dispose of damaged insured property or equipment, if practicable, through a recycling process; and
- (c) to flush out reconstructed space with up to one hundred (100) percent outside air using new filtration media.

With respect to any building that is Insured Property and was, at the time of the Breakdown or Electronic Circuitry Impairment, certified by a Recognized Environmental Standards Program, we will pay the additional costs:

- (i) to prevent lapse of such certification;
- (ii) to reinstate the certification or replace it with an equivalent certification;
- (iii) for an engineer authorized by a Recognized Environmental Standards Program to oversee the repair or replacement of the damaged Insured Property; and
- (iv) for a professional engineer to commission or recommission your damaged mechanical, electrical, or electronic building systems.

As used in this coverage, additional costs mean those beyond what would have been payable in the absence of this Green Coverage.

This coverage applies in addition to any coverage that may apply under the Environmental and Efficiency Improvements or any other applicable coverage and only to Insured Property that must be repaired or replaced as a direct result of a Breakdown or Electronic Circuitry Impairment.

This provision does not apply to any property valued or insured on an Actual Cash Value basis.

In no event shall we be liable for loss in excess of \$25,000.

## **12. BRANDS AND LABELS**

If branded or labeled merchandise that is Insured Property is damaged as a direct result of a Breakdown or Electronic Circuitry Impairment, but retains a salvage value, you may:

- (a) stamp the word SALVAGE on the merchandise or its containers if the stamp will not physically damage the merchandise; or
- (b) remove the brands or labels, if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with any applicable law.

We will pay for the reasonable and necessary expenses you incur to perform either of these two actions to the extent that they do not exceed the amount recoverable from salvage

We shall not be liable for loss under this coverage if coverage is provided by any other policy of insurance in effect at the time of the loss whether collectable or not.

In no event shall we be liable for loss in excess of \$100,000.

## **13. FUTURE LOSS AVOIDANCE**

With respect to Coverage described in Insuring Agreement 1(a), we shall be liable for the cost to purchase and install Protective Equipment provided:

- (a) you have received a payment for loss to Insured Property at a location specified in the Declarations;
- (b) the Protective Equipment is installed at the location of the loss covered in clause (a) above; and
- (c) such Protective Equipment will reasonably reduce the likelihood of a future Breakdown or Electronic Circuitry Impairment similar to the loss covered in clause (a).

We must receive invoices for any purchase or installation costs no later than one hundred and eighty (180) days from the date you received payment for the loss described in clause (a) above.

Our liability for loss for any One Breakdown shall be the lesser of:

- (i) ten (10) percent of any Eligible Payment made to you prior to any payment under this Coverage; or
- (ii) \$10,000.

## **14. RESULTANT LOSS FROM A CYBER EVENT**

We shall be liable for loss and expense under Coverage described in Insuring Agreements 1(a), 1(b) and 1(c), from a Breakdown or Electronic Circuitry Impairment caused by or resulting from a Cyber Event that causes direct physical damage to Insured Equipment at a location specified in the Declarations.

## **15. BASIS OF SETTLEMENT**

### **(a) Property Damage**

Under Insuring Agreement 1(a), we agree to pay for Insured Property which is damaged, as follows:

- (i) on media, the cost of blank material;
- (ii) on exposed film, records, manuscripts and drawings, the cost of blank material plus the cost of transcription;
- (iii) on any heat exchanger that forms part of forced air heating equipment that is five (5) years old or more from the date of purchase new, its Actual Cash Value;
- (iv) on all other Insured Property, the lesser of the cost at the time of the Breakdown or Electronic Circuitry Impairment

- (a) to repair; or
- (b) to replace with similar property of like kind, capacity, size, quality and function.

We shall not be liable:

- (i) for the cost of repairing or replacing any part or parts of a piece of equipment which is greater than the cost of repairing or replacing the entire piece of equipment;
- (ii) for more than the cost to replace the property with other property of like kind, capacity, size, quality and function except as described in the Environmental and Efficiency Improvements clause;
- (iii) for more than the cost to replace the property at the same or adjacent site; nor
- (iv) for loss or damage to property which is useless or obsolete you.

If the damaged property is not repaired or replaced within twelve (12) months after the date of the Breakdown or Electronic Circuitry Impairment, our liability will only be for the Actual Cash Value of the damaged property.

#### ENVIRONMENTAL AND EFFICIENCY IMPROVEMENTS

Under Insuring Agreement 1(a) if Insured Equipment requires replacement due to a Breakdown or Electronic Circuitry Impairment, we shall pay the additional cost to replace with equipment that is better for the environment, or more efficient than the equipment being replaced. However, we will not pay more than one hundred fifty (150) percent of what the cost would have been to replace with like kind, capacity, size, quality and function.

This provision does not apply to any property valued or insured on an Actual Cash Value basis.

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

We shall pay under Insuring Agreement 1(b) the amount that is spent to replace perishable Insured Property which spoils solely as a result of the Breakdown or Electronic Circuitry Impairment of Insured Equipment. If the Insured Property is not replaced, we shall only pay for the Actual Cash Value of the property.

#### **16. DEDUCTIBLE**

From the total amount of loss, damage and expense for which we are liable following any One Breakdown of Insured Equipment shall be subtracted the Deductible specified in the Declarations.

#### **17. SPARES MITIGATION**

If a Breakdown or Electronic Circuitry Impairment occurs to Spare Insured Equipment that is in use due to a Breakdown or Electronic Circuitry Impairment to Insured Equipment, such Breakdown or Electronic Circuitry Impairment to Spare Insured Equipment shall be considered as One Breakdown and no additional Deductible shall apply.

The Breakdown or Electronic Circuitry Impairment to Spare Insured Equipment must occur:

- (a) within fourteen (14) days of the Breakdown or Electronic Circuitry Impairment to Insured Equipment; or
  - (b) before the policy expiry,
- whichever is the lesser.

As used herein, Spare Insured Equipment shall mean Insured Equipment acquired by you prior to the occurrence of loss under this Endorsement and held specifically to spare existing operating equipment.

#### **18. INSPECTION**

We, or our reinsurers, shall have the right to make inspections of Insured Equipment at any reasonable time. Neither this right to make inspections nor making them is an undertaking to you or others that the Insured Equipment is safe and not hazardous or injurious to health.

#### **19. SUSPENSION**

Upon the discovery of Insured Equipment in or exposed to a dangerous condition, we, or our reinsurers, may immediately suspend the Insurance against loss from the Breakdown or Electronic Circuitry Impairment of that equipment (which will include any insurance applying to the interest of any Mortgagee specified in the policy). Notice of suspension shall be given either at the Mailing Address specified in the Declarations, or at the location of the equipment. We, or our reinsurers, agree to furnish a copy of the Suspension Notice to the Mortgagee. Once coverage has been suspended, it can only be reinstated by an endorsement issued to form part of this policy. You shall be allowed a pro-rata refund of premium for that equipment for the period that coverage is suspended.

## **DEFINITIONS**

### **1. INSURED EQUIPMENT**

Insured Equipment shall mean any equipment owned, leased, operated or controlled by you as described below:

- A. any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure other than static pressure of contents, any refrigerating or air conditioning vessels and piping, any other piping and its accessory equipment, or any heat exchanger that forms part of forced air heating equipment, but not including:
  - (i) any boiler setting, any refractory or insulating material;
  - (ii) any part of a boiler or fired pressure vessel that does not contain steam or water; nor
  - (iii) any buried piping other than that contained in a duct, tunnel or runway, domestic and supply water piping, waste disposal piping, drainage piping, or sprinkler piping and its accessory equipment;
- B. any mechanical or electrical equipment used for the generation, transmission or utilization of mechanical or electrical power, but not including:
  - (i) any vehicle or self-propelled mobile equipment; nor
  - (ii) any lifting or safety cables, anchorages, car buffers or counterweight buffers forming part of an elevator system;
- C. any electronic machine, device or instrument or fibre optic cable used for research, diagnosis, treatment, communication, word processing, data processing, duplicating, monitoring or scanning.

### **2. INSURED PROPERTY**

Insured Property is:

- (a) property you own; or
- (b) property of others in your care, custody or control and for which you are legally liable.

### **3. BREAKDOWN**

Breakdown means a sudden and accidental failure of equipment resulting in physical damage to the equipment which requires the repair or replacement of the equipment or a part of the equipment.

Breakdown does not mean:

- (a) depletion, deterioration, corrosion or erosion of material;
- (b) wear and tear;
- (c) the functioning of any safety device or protective device; nor
- (d) the failure of a structure or foundation supporting the equipment or a part of the equipment.

### **4. ONE BREAKDOWN**

If either the Breakdown or Electronic Circuitry Impairment of Insured Equipment causes the Breakdown or Electronic Circuitry Impairment of other Insured Equipment or a series of Breakdowns or Electronic Circuitry Impairments occur at the same time as a result of the same cause, they will all be considered as One Breakdown.

### **5. HAZARDOUS SUBSTANCE**

A Hazardous Substance is:

- (a) any pollutant, contaminant or other substance declared by a governmental authority to be hazardous to health or the environment; or
- (b) any mould, yeast, fungus or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, fungus or mildew, whether or not allergenic, pathogenic or toxigenic

However, a Hazardous Substance shall not include any communicable disease or infectious agent.

### **6. DATA**

Data means facts, concepts, information or software in a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment.

### **7. MEDIA**

Media means material on which data is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.

### **8. ELECTRONIC CIRCUITRY IMPAIRMENT**

Electronic Circuitry Impairment shall mean a sudden and accidental failure of the Electronic Circuitry of Insured Equipment, in your care, custody or control, that causes the Insured Equipment to suddenly lose its ability to function as it had been functioning immediately before the failure. Electronic Circuitry Impairment shall not mean:

- (a) any condition that can be remedied by:
  - (i) normal maintenance, including but not limited to replacing expendable parts, recharging batteries or cleaning;
  - (ii) rebooting, reloading or updating software or firmware; or
  - (iii) providing necessary power or supply.
- (b) any condition caused by or related to:
  - (i) incompatibility of the Insured Equipment with any software or equipment installed, introduced or networked within the prior thirty (30) days; or
  - (ii) insufficient size, capability or capacity of the Insured Equipment.
- (c) exposure to adverse environmental conditions including but not limited to change in temperature or humidity, unless such condition results in a loss of functionality. Loss of warranty shall not be considered a loss of functionality.

**9. ELECTRONIC CIRCUITRY**

Electronic Circuitry means microelectronic components, including, but not limited to, circuit boards, integrated circuits, computer chips and disk drives.

**10. CLOUD COMPUTING SERVICES**

Cloud Computing Services means professional, on-demand, self-service data storage or data processing services provided through the Internet or over telecommunications lines. This includes services known as IaaS (Infrastructure as a Service), PaaS (Platform as a Service), SaaS (Software as a Service) and NaaS (Network as a Service). This includes business models known as public clouds, community clouds and hybrid clouds. Cloud Computing Services include private clouds if such services are owned and operated by a third party.

**11. RECOGNIZED ENVIRONMENTAL STANDARDS PROGRAM**

- (a) the ENERGY STAR® program;
- (b) the Canadian Green Building Council LEED® program; or
- (c) any nationally or internationally recognized environmental standards program designed to achieve energy savings and related objectives of the type included in the programs listed above.

**12. PROTECTIVE EQUIPMENT**

Protective Equipment means the following:

- (a) electrical surge protection or single phase protection equipment; or
- (b) any other permanently-installed physical device with the principal function of safeguarding Insured Equipment from a Breakdown or Electronic Circuitry Impairment.

**13. ELIGIBLE PAYMENT**

Eligible Payment means the total amount paid by us to you in the event of a loss.

Eligible Payment does not mean:

- (a) any deductible or coinsurance amount;
- (b) any payment made for loss covered under Insuring Agreements 1(b) and 1(c); or
- (c) any payment made after this policy has been cancelled or non-renewed.

**14. ACTUAL CASH VALUE**

Actual Cash Value means the cost of replacing the damaged property with property of similar kind, capacity, size, quality and function less depreciation however caused. We will consider such items as the age, condition and normal life expectancy of the damaged property in determining depreciation

**15. CYBER EVENT**

Cyber Event means a hostile, illegal or transgressive act committed through electronic systems. This includes, but is not limited to, hacking, a denial of service attack or the deployment of malware. However, Cyber Event shall not include any act as excluded in Exclusion 2.(b).