

# INSTALLATION COVERAGE FORM

## ENVIRONMENTAL SERVICES BUSINESSOWNERS INLAND MARINE COVERAGE

Various provisions in this Policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this Policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

### A. Coverage

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

#### 1. Covered Property

a. Covered Property means the following property while at the job site of the installation project described in the Declarations:

- (1) Materials, supplies, equipment, machinery, and fixtures intended to be installed; and
- (2) Temporary structures built or assembled, including false-work, cribbing, scaffolding and construction forms.

b. Coverage for Covered Property described in Paragraph A.1.a. is extended while such property is:

- (1) At a "temporary storage location"; or
- (2) In transit.

#### c. Coverage Ceases

The insurance provided by this Coverage Form will end when one of the following first occurs:

- (1) This Policy expires or is cancelled;
- (2) The property is accepted by the purchaser or owner;
- (3) Your interest in the property ceases;
- (4) You abandon the installation with no intention to complete it; or
- (5) Unless we specify otherwise in writing, 90 days after installation is complete.

#### 2. Property Not Covered

Covered Property does not include:

- a. Property on your premises, except as provided in Paragraph A.1.a;
- b. Plans, blueprints;
- c. Accounts, bills, currency, deeds, evidences of debt, money, notes, securities, stamps, letters of credit;

d. Machinery, tools, equipment, supplies or similar property that does not become a permanent part of the project. This includes contractors equipment and other tools belonging to a contractor or subcontractor;

e. Contraband, or property in the course of illegal transportation or trade;

f. Land (including land on which the property is located) or water;

g. Lawns, trees, shrubs or plants; or

h. Existing buildings or structures to which improvements, alterations, repairs or additions are being made.

#### 3. Covered Causes Of Loss

Covered Causes of Loss means direct physical loss or damage to Covered Property except those causes of loss listed in the Exclusions.

#### 4. Additional Coverages

The Limits of Insurance shown in Paragraph A.4. Additional Coverages are provided within, not in addition to, the Limit Of Insurance stated in the Declarations as applicable to the Covered Property, except with respect to Debris Removal Additional Coverage in Paragraph A.4.a.(3).

##### a. Debris Removal

(1) We will pay your expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

(2) The most we will pay under this Additional Coverage is the lesser of 25% of:

(a) The amount we pay for the direct physical loss or damage to Covered Property; plus the deductible in this Policy applicable to that loss or damage; or

(b) The applicable Limit of Insurance for Covered Property:

- (i) At the job site;
- (ii) At a "temporary storage location"; or
- (iii) In transit;

where the loss occurs, plus the deductible in this Policy applicable to that loss or damage.

(3) Payment under this Additional Coverage will not increase the applicable Limit of Insurance, but if:

- (a) The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
- (b) The debris removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage;

we will pay up to an additional \$10,000, unless a different limit is shown in the Declarations, in any one occurrence under the Debris Removal Additional Coverage.

(4) This Additional Coverage does not apply to costs to:

- (a) Extract "pollutants" from land or water; or

(b) Remove, restore or replace polluted land or water.

#### **b. Rewards**

(1) We will reimburse you for rewards paid as follows:

- (a) Up to \$10,000 per occurrence, unless a different Limit Of Insurance is shown in the Declarations, to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:
  - (i) Replacement Cost of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or
  - (ii) The amount determined by the loss settlement procedure applicable to the Covered Property.

(b) Up to \$10,000 per occurrence, unless a different Limit Of Insurance is shown in the Declarations, to an eligible person for the return of stolen Covered Property, when loss is caused by theft. However, we will pay no more than the lesser of the following amounts:

- (i) Replacement Cost based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or
- (ii) The amount determined by the loss settlement procedure applicable to the Covered Property returned.

(2) This Additional Coverage applies subject to the following conditions:

- (a) An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the necessary information or return the stolen Covered Property, and who is not:
  - (i) You or any family member;
  - (ii) Your employee or any of his or her family members;
  - (iii) An employee of a law enforcement agency;
  - (iv) An employee of a business engaged in property protection;
  - (v) Any person who had custody of the Covered Property at the time the theft was committed; or
  - (vi) Any person involved in the crime.

(b) There will be no reimbursement for a reward paid unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned.

(c) The amount of the reward is the most we will reimburse under this Additional Coverage for loss in any one occurrence.

(d) The insured must have posted public notice of the reward prior to the person having been first to voluntarily provide the necessary information or return the stolen Covered Property.

#### **f. Testing**

We will pay for loss or damage to Covered Property while at the job site caused by or resulting from a "breakdown" of "covered equipment" during "testing".

The most we will pay under this Additional Coverage is \$50,000 per occurrence, unless a different Limit Of Insurance is shown in the Declarations.

### **5. Additional Coverages**

The Limits of Insurance shown in Paragraph **A.5. Additional Coverages** are separate from, and will not reduce, the Limit Of Insurance shown in the Declarations as applicable to the Covered Property.

#### **a. Extra Expense**

We will pay for the "extra expense" you incur to avoid or minimize "suspension" of "operations" during the "period of restoration".

Such extra expense coverage applies only when the "suspension" of "operations" during the "period of restoration" is caused by or results from a Covered Cause of Loss to Covered Property.

The most we will pay under this Additional Coverage is \$25,000 per occurrence, unless a different Limit Of Insurance is shown in the Declarations.

This Additional Coverage does not include any expense that is more specifically described elsewhere under this Coverage Form or any endorsement to this Coverage Form.

#### **b. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$10,000 per occurrence, unless a different Limit Of Insurance is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

### **c. Fire Extinguishing Systems Expense**

(1) We will pay:

(a) The cost of recharging your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) or replacing the fire extinguishers or fire extinguishing systems, whichever is less, when the need to recharge or replace is caused by a Covered Cause of Loss; and

(b) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguishing system.

(2) No coverage will apply if the fire extinguishing system is discharged during installation or testing.

(3) The most we will pay under this Additional Coverage is \$10,000 in any one occurrence, unless a different Limit Of Insurance is shown in the Declarations.

#### **d. Preservation Of Property Expense**

We will pay the necessary expenses incurred to move or store at a "temporary storage location" Covered Property to preserve it from loss or damage by a Covered Cause of Loss.

The most we will pay under this Additional Coverage is \$10,000 per occurrence, unless a different Limit Of Insurance is shown in the Declarations. This Additional Coverage shall not exceed 90 days from the time the Covered Property is first moved.

### **6. Coverage Options**

#### **a. Earthquake-Volcanic Eruption**

If a Limit Of Insurance for Earthquake-Volcanic Eruption is shown in the Declarations, the Earth Movement Exclusion in the Exclusions Section does not apply to the extent it conflicts with the following Covered Causes of Loss added:

- (1) Earthquake; and
- (2) Volcanic Eruption, meaning the eruption, explosion or effusion of a volcano.

All Earthquake shocks or Volcanic Eruptions that occur within a 168-hour period will constitute a single Earthquake or Volcanic Eruption. The expiration of this Policy will not reduce the 168-hour period.

This Coverage Option is included within the Limits of Insurance applicable to the Covered Property at the job site where the loss occurred.

The Limit of Insurance for Earthquake-Volcanic Eruption is an annual aggregate limit and as such is the most we will pay for the total of all loss or damage that is caused by Earthquake or Volcanic Eruption in a 12-month period (starting with the beginning of the present annual policy period), even if there is more than one Earthquake or Volcanic Eruption during that period of time. Thus, if the first Earthquake or Volcanic Eruption does not exhaust the Limit of Insurance, then the balance of that Limit is available for a subsequent Earthquake(s) or Volcanic Eruption(s).

If a single Earthquake or Volcanic Eruption begins during one annual policy period and ends during the following annual policy period, any Limit of Insurance applicable to the following annual policy period will **not** apply to such Earthquake or Volcanic Eruption.

#### **b. Water Damage**

If a Limit Of Insurance for Water Damage is shown in the Declarations, Paragraphs **f.(1)** and **f.(2)** under the Water Exclusion in the Exclusions Section are deleted.

This Coverage Option is included within the Limits of Insurance applicable to the Covered Property at the job site where the loss occurred.

The Limit of Insurance for Water Damage is the most we will pay in a single occurrence of Water Damage for loss or damage caused by the following Covered Causes of Loss:

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge); or
- (2) Mudslide or mudflow.

If there is more than one Water Damage in a 12-month period (starting with the beginning of the present annual policy period), the most we will pay for the total of all loss or damage sustained during that period of time and caused by the Covered Causes of Loss in Paragraphs (1) and (2) is the amount that is identified as the Annual Aggregate for Water Damage as shown in the Declarations.

If the Limit of Insurance and the Annual Aggregate amount are the same, or if there is no amount stated as an Annual Aggregate, then the Limit of Insurance is the most we will pay for the total of all loss or damage that is caused by the Covered Causes of Loss in Paragraphs (1) and (2) in a 12-month period (starting with the beginning of the present annual policy period), even if there is more than one occurrence of Water Damage during that period of time. Thus, if the first Water Damage does not exhaust the applicable Limit of Insurance, then the balance of that Limit is available for a subsequent Water Damage(s).

If a single occurrence of Water Damage begins during one annual policy period and ends during the following annual policy period, any Limit of Insurance or Annual Aggregate applicable to the following annual policy period will not apply to that Water Damage.

#### **B. Exclusions**

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

##### **a. Ordinance Or Law**

- (1) The enforcement of or compliance with any ordinance or law:
  - (a) Regulating the construction, use or repair of any property; or
  - (b) Requiring the tearing down of any property, including the cost of removing its debris.
- (2) This exclusion applies whether the loss or damage results from:
  - (a) An ordinance or law that is enforced even if the property has not been damaged; or
  - (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss or damage to that property.

##### **b. Earth Movement**

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;

- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole collapse), rising or shifting, including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in Paragraphs **b.(1)** through **b.(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

With respect to coverage for Volcanic Action as set forth in **(5)(a)**, **(5)(b)** and **(5)(c)**, all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to Covered Property.

This exclusion applies regardless of whether any of the above, in Paragraphs **(1)** through **(5)**, is caused by an act of nature or is otherwise caused.

This exclusion does not apply to property in transit.

**c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

**d. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

**e. War And Military Action**

- (1) War, including undeclared or civil war;
- (2) 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; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

**f. Water**

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph **(1)**, **(3)** or **(4)**, or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

To the extent that coverage is provided under Additional Coverage A.4.a. Below Ground Water And Backup Of Sewer And Drain, Paragraphs (3), (4) and (5) do not apply.

This exclusion does not apply to property in transit.

**g. Fungi, Wet Rot And Dry Rot**

Presence, growth, proliferation, spread or any activity of "fungi", or wet or dry rot.

But if "fungi", or wet or dry rot results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

- (1) When "fungi", or wet or dry rot results from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage Limited Coverage For "Fungi", Wet Rot And Dry Rot with respect to loss or damage by a cause of loss other than fire or lightning.

**h. Virus, Bacterium Or Other Microorganism**

Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in the previous exclusion.

The terms of this exclusion, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part.

This exclusion applies to all coverage under all forms and endorsements that comprise this Coverage Part, including, but not limited to, forms or endorsements that cover business income, extra expense or action of civil authority.

Exclusions B.1.a. through B.1.h. apply whether or not the loss event results in widespread damage or affects a substantial area.

**2. We will not pay for loss or damage caused by or resulting from any of the following:**

- a. Delay, loss of use, loss of market or any other consequential loss.
- b. Unexplained disappearance.
- c. Shortage found upon taking inventory.
- d. Dishonest or criminal act (including theft) committed by:

(1) You, any of your partners, employees (including temporary employees and leased workers), officers, directors, trustees or authorized representatives;

(2) A manager or a member if you are a limited liability company; or

(3) Anyone else with an interest in the property, or their employees (including temporary employees and leased workers) or authorized representatives;

whether acting alone or in collusion with each other or with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

This exclusion does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.

**e. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:**

(1) Electrical or electronic wire, device, appliance, system or network; or

(2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes, but is not limited to, electrical current, including arcing; electrical charge produced or conducted by a magnetic or electromagnetic field; pulse of electromagnetic energy; electromagnetic waves or microwaves.

But if artificially generated electrical, magnetic or electromagnetic energy, as described above, results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

However, this exclusion does apply to testing as provided in the Additional Coverages section, **A.4.f. Testing**.

- f. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense, except as provided in the Additional Coverages, **A.4.c. False Pretense**.
- g. Unauthorized instructions to transfer property to any person or to any place.
- h. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- i. Theft by any person (except carriers for hire) to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

- j. We will not pay for the following explosion:
  - (1) Explosion of alcohol stills, steam boilers, steam generators, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
  - (2) Electric arcing;
  - (3) Rupture or bursting of water pipes;
  - (4) Rupture, bursting or operation of pressure relief devices; or
  - (5) Rupture or bursting due to expansion or swelling of the contents of any building or structure caused by or resulting from water.

But, if explosion of alcohol stills, steam boilers, steam generators, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

However, this exclusion does not apply to testing as provided in the Additional Coverages section, **A.4.f. Testing**.

- 3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.
  - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. to produce the loss or damage.
  - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
  - c. Faulty, inadequate or defective:
    - (1) Planning, zoning, development, surveying, siting;
    - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
    - (3) Materials used in repair, construction, renovation or remodeling; or
    - (4) Maintenance;  
of part or all of any property wherever located.
  - d. Wear and tear, depreciation.
  - e. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration.
  - f. Mechanical breakdown; however, this exclusion does apply to testing as provided in the Additional Coverages section, Testing, **A.4.f.**
  - g. Insects, vermin or rodents.
  - h. Rust or other corrosion, dampness, extremes of temperature.
  - i. Settling, cracking, shrinking, bulging or expansion.

### C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

### D. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limit of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

The Deductible does not apply to Covered Property in transit.

### E. Additional Conditions

1. The **Valuation** General Condition in the Commercial Inland Marine Conditions is replaced by the following:

We will determine the value of Covered Property in the event of a loss or damage at replacement cost as of the time of loss or damage. Replacement cost is the cost to replace Covered Property at the time of loss or damage without deduction for depreciation.

- a. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage replacement cost provides if you notify us of your intent to do so within 180 days after the loss or damage.

- b. We will not pay on a replacement cost basis for any loss or damage:

- (1) Until the lost or damaged property is actually repaired or replaced; and
- (2) Unless the repairs or replacement is made as soon as reasonably possible after the loss or damage.

Instead we will pay on an actual cash value basis.

- c. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to Paragraph d. below:

- (1) The Limit of Insurance applicable to the lost or damaged property with other property;
- (2) The cost to replace, on the same job site, the lost or damaged property with other property:
  - (a) Of comparable material and quality; and

- (b) Used for the same purpose; or

- (3) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

If an installation project is installed at a new job site, the cost described in Paragraph (2) is limited to the cost which would have been incurred if the installation project had been installed at the original job site.

- d. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

2. The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

#### a. Coverage Territory

- (1) We cover property wherever located within:

- (a) The United States of America (including its territories and possessions);
- (b) Puerto Rico; and
- (c) Canada.

- (2) We also cover property being shipped by air within and between points in Paragraph (1).

#### b. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

We will not pay the full amount of any loss or damage if the value of the Covered Property at the time and location of the loss or damage times the Coinsurance percentage shown in the Declarations is greater than the Limit of Insurance for all Covered Property at that location.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of the Covered Property at the time and location of the loss or damage by the Coinsurance percentage;
- (2) Divide the Limit of Insurance for the Covered Property at the location by the figure determined in Step (1);
- (3) Multiply the total amount of loss or damage at the location, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).



We will pay the amount determined in Step (4) or the applicable Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

This provision does not apply to the Additional Coverages.

## F. Definitions

### 1. "Breakdown"

a. Means the following direct physical loss that causes damage to "covered equipment", and necessitates its repair or replacement:

- (1) Failure of pressure or vacuum equipment;
- (2) Mechanical failure including rupture or bursting caused by centrifugal force; or
- (3) Electrical failure including arcing; unless such loss or damage is otherwise excluded.

b. Does not mean or include:

- (1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
- (2) Defects, erasures, errors, limitations or viruses in computer equipment and programs including the inability to recognize and process any date or time or provide instructions to "covered equipment";
- (3) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (4) Damage to any vacuum tube, gas tube or brush;
- (5) Damage to any structure or foundation supporting the "covered equipment" or any of its parts;
- (6) The functioning of any safety or protective device; or
- (7) The cracking of any part on an internal combustion gas turbine exposed to the products of combustion.

### 2. "Computer equipment" means:

- a. Your programmable electronic equipment that is used to store, retrieve and process data. It includes their component parts and air conditioning, fire suppression equipment and electrical equipment used exclusively in your computer operations; and
- b. Associated peripheral equipment that provides communication including input and output functions such as printing or auxiliary functions such as data transmission.

It does not include "data" and "media".

### 3. "Covered equipment"

a. Means and includes any:

- (1) Equipment built to operate under internal pressure or vacuum other than weight of contents;
- (2) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy; and
- (3) Communication equipment, and "computer equipment";

b. Does not mean or include any:

- (1) "Media";
- (2) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
- (3) Insulating or refractory material, but not excluding the glass lining of any "covered equipment";
- (4) Catalyst;
- (5) Vessels, piping and other equipment that is buried below ground and requires the excavation of materials to inspect, remove, repair or replace;
- (6) Vehicle, aircraft, self-propelled equipment or floating vessel including any "covered equipment" that is mounted upon or used solely with any one or more vehicle(s), aircraft, self-propelled equipment or floating vessel;
- (7) Dragline, excavation or construction equipment, including any "covered equipment" that is mounted upon or used solely with any one or more dragline(s), excavation or construction equipment;
- (8) Felt, wire, screen, die, extrusion plate, swing hammer, grinding disc, cutting blade, nonelectrical cable, chain, belt, rope, clutch plate, brake pad, nonmetal part or any part or tool subject to periodic replacement;
- (9) Machine or apparatus used solely for research, diagnosis, medication, surgical, therapeutic, dental or pathological purposes including any "covered equipment" that is mounted upon or used solely with any one or more machine(s) or apparatus; or
- (10) Equipment or any part of such equipment manufactured by you for sale.

### 4. "Data" means:

- a. Data stored on "media"; and

- b.** Programming records used for electronic data processing or electronically controlled equipment.
- 5.** "Extra expense" means the necessary expenses you incur during the "period of restoration" that you would not have incurred if the direct physical loss or damage had not occurred. However, "extra expense" does not include:
  - a.** Expenses to repair or replace any other property, except to the extent that such expenses reduce the amount of loss that otherwise would have been payable under this Coverage Form; or
  - b.** Expenses to research, replace or restore the lost information stored on Covered Property, except to the extent that such expenses reduce the amount of loss that otherwise would have been payable under this Coverage Form.
- 6.** "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 7.** "Media" means electronic data processing, recording or storage media such as software, films, tapes, discs, drums or cells.
- 8.** "Period of restoration" means that period of time that:
  - a.** Begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss to Covered Property; and
  - b.** Ends on the date when such property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

"Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this Policy will not cut short the "period of restoration".
- 9.** "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
- 10.** "Temporary storage location" means a location where property that is to become a part of the installation project described in the Declarations is stored while waiting to be delivered to a job site.
- 11.** "Testing" means any of the following:
  - a.** Cold test – when equipment is operated under dry or no-load conditions;
  - b.** Hot test – when equipment is being operated under load or operational conditions; and
  - c.** Commissioning test – when equipment is operated for the establishment of specification requirements and for the training of the operational personnel.