

Form #MB1 (Rev. January 4, 2017)
Mechanical Breakdown Endorsement

APPLICABLE ONLY IF THIS FORM NUMBER APPEARS IN THE DECLARATIONS PAGE OF THE POLICY

Agreement

This endorsement is subject to the terms and conditions of this **policy** and to the following additional terms and conditions.

In return for **your** payment of the premium as stated separately in the **declarations page** or included in the total premium **we** agree to add the following peril to the perils **you** are insured against.

EXTRA DEFINITIONS

With respect to the coverage provided by this endorsement, the following definitions are added:

“Mechanical breakdown” means sudden and accidental direct physical loss or physical damage to a **household appliance** located on the **residence premises** caused by, resulting from, or consisting of:

- a. Failure of pressure or vacuum equipment;
- b. Mechanical failure; or
- c. Rupture, bursting, bulging, implosion or steam explosion.

“Household appliance” means equipment or appliances usual to the occupancy, maintenance or use of a dwelling that generate, transmit or utilize energy to operate, including, but not limited to, the following:

- a. Central air conditioning systems;
- b. Central vacuum systems;
- c. Chairlifts and elevators;
- d. Heating systems, including water heaters;
- e. Home automation and security systems;
- f. Saunas, hot tubs and therapeutic baths;
- g. Swimming pool pumps and filtration systems;
- h. Stoves, wall ovens and refrigerators; and
- i. Well water pumps and sump pumps.

For purposes of this endorsement, **household appliance** does not include any part of a plumbing system, fire protection system or any roof drain, gutter, downspout or similar fixtures or equipment.

SECTION ONE – PROPERTY INSURANCE

Additional Insured Peril - Mechanical Breakdown

We will pay for direct loss to a **household appliance** caused by and confined to a **mechanical breakdown**.

Exclusions

With respect to the coverage provided by this endorsement, Exclusion g. is replaced by the following:

- g. wear and tear, deterioration, inherent defect, rust or corrosion, extremes of temperature, wet or dry rot, smog or contamination;

Loss Settlement Conditions

With respect to the coverage provided by this endorsement, the following is added to **Limits of Insurance**: However, **our** total liability in any one **period of insurance** for all damages resulting from the total of all incidents of **mechanical breakdown** during the **period of insurance** will not be more than the Mechanical Breakdown Coverage Aggregate Limit Of Liability shown in the Declarations Page. This is the most **we** will pay regardless of the number of:

1. Claims made; or
2. **Items of household appliances which suffer a mechanical breakdown.**

With respect to the coverage provided by this endorsement, “Valuation of Property and Loss Payment” under “Loss Settlement Conditions” is extended to include the following:

Mechanical breakdown to household appliance

Our payment for a **mechanical breakdown** to a **household appliance** will not be more than the least of the following amounts:

1. The cost at the time of the **mechanical breakdown** to repair the damaged **household appliance**;
2. The cost at the time of the **mechanical breakdown** to replace the damaged **household appliance** with property of like kind and quality;
3. The amount actually spent to repair or replace the damaged **household appliance**; or
4. The Mechanical Breakdown Coverage Aggregate Limit Of Liability shown in the Declarations Page.

Deductible

For any one occurrence, **we** will pay only for that portion of any physical loss or physical damage which exceeds the applicable deductible shown on the **Declarations page** up to the limit of insurance pertaining to this endorsement.

The deductible will apply to any loss covered under this endorsement. If two or more deductibles provided in this **policy** apply to the loss, only the highest deductible amount will apply.

The deductible waiver under section one – property insurance contained in this policy does not apply to this **mechanical breakdown** endorsement

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