

# Equipment Breakdown

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## Definitions

The following Definitions apply to this Section in addition to the General Definitions at the front of this policy and keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

### Accident(s)

Direct physical loss caused by:

- (a) electrical or mechanical **Breakdown** including rupture or bursting caused by centrifugal force
- (b) artificially generated electrical current including electric arcing that damages electrical devices appliances or wires
- (c) **Explosion** or **Collapse** of **Covered Equipment** operating under steam or other fluid pressure
- (d) **Damage** to hot water boilers other water heating equipment oil or water storage tanks or other **Covered Equipment** operating under steam or other fluid pressure caused by or resulting from any condition or event (not otherwise excluded) occurring inside such equipment
- (e) **Damage** caused by operator error that results in the overloading of **Covered Equipment**

All Accidents that are the result of the same event will be considered as one Accident.

### Anchor Location

A well-known third party business which is responsible, and which **Your Business** depends upon, for attracting customers to the **Premises** specified in the **Schedule**.

### Biomass or Biogas Installation

Any equipment and machinery used in connection with running a biomass or biogas heating or power-generation plant, including anaerobic digesters, storage tanks, augers, screeners, scrubbers, boilers, gas engines, generators, heat exchangers, pumps and motors.

### Breakdown

- (a) The actual breaking, failure, distortion, or burning out of any part of the **Covered Equipment** whilst in ordinary use arising from defects in the **Covered Equipment** causing its sudden stoppage and necessitating repair or replacement before it can resume work
- (b) fracturing of any part of the **Covered Equipment** by frost when such fracture renders the **Covered Equipment** inoperative
- (c) the actual and complete severance of a rope but not breakage or abrasion of wires or strands even though replacement may be necessary
- (d) **Electronic Derangement**

## Business

**Your Business** activities relating to the Business Description shown in the **Schedule**.

## Collapse

The sudden and dangerous distortion (whether or not attended by rupture) of any part of the **Covered Equipment** caused by crushing stress by force of steam or other fluid pressure (other than pressure of chemical action, ignited flue gases or ignition of the contents).

## Computer Equipment

- (a) electronic, computer or other data processing and/or storage equipment
- (b) projectors printers scanners and other peripheral devices used in conjunction with (a)
- (c) software and programs licensed to **You** and installed on (a)
- (d) **Portable Computer Equipment**

## Computer Media

All forms of electronic magnetic and optical tapes and discs for use in any **Computer Equipment**.

## Covered Equipment

Equipment at the **Premises** owned by **You** or for which **You** are responsible:

- (a) which is built to operate under vacuum or pressure, other than the weight of its contents; or
- (b) that generates, transmits, stores or converts energy; or
- (c) which is **Computer Equipment**

Excluding:

- (i) any supporting structure, foundation, masonry, brickwork or cabinet
- (ii) any insulating or refractory material
- (iii) any vehicle, aircraft, floating vessels or any equipment mounted thereon (other than vehicle recovery crane or equipment which is included but not the actual vehicle)
- (iv) self propelled plant and equipment (other than forklift trucks and pallet trucks used by **You** at **Your Premises**), dragline, excavation or construction equipment
- (v) equipment manufactured by **You** for sale
- (vi) safety or protective devices due to their functioning
- (vii) tools, dies, cutting edges, crushing surfaces, trailing cables, non-metallic linings, driving belts or bands or any part requiring periodic renewal
- (viii) any electronic equipment (other than **Computer Equipment**) used for research, diagnostic, treatment, experimental or other medical or scientific purposes with a new replacement value in excess of £30,000
- (ix) any **Manufacturing Production or Process Equipment** including linked **Computer Equipment**
- (x) any electricity generating equipment other than emergency back-up power equipment or wind turbines less than 10kw or photovoltaic equipment less than 50kw
- (xi) any kitchen and food preparation equipment, laundry and cleaning equipment, audio-visual equipment and **Computer Equipment** whilst in a private dwelling or private dwelling quarters (unless such equipment is owned by **You** or for which **You** are responsible)

# Equipment Breakdown

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(xii) any **Biomass or Biogas Installation**

(xiii) any **Hydroelectric Installation**.

### Cyber Event

- (a) a failure of electronic equipment to correctly recognise, process or store any data
- (b) a hostile, malicious, illegal or transgressive act committed through electronic systems or, including but not limited to:
  - (i) a virus (a program, code, programming instruction or any set of instructions intended to damage, interfere with or have a negative effect on computer programs, data or operations)
  - (ii) hacking (unauthorised access to any computer or other electronic equipment)
  - (iii) a denial of service attack (any actions or instructions intended to damage, interfere with or affect the availability or performance of networks, network services, network connectivity or telecommunication systems).

### Electronic Derangement

Malfunction of the **Computer Equipment** or electronic circuitry controlling or operating the **Covered Equipment** that is not accompanied by visible damage and requires replacement of one or more insured components of the **Covered Equipment** in order to restore it to its normal operation

Electronic Derangement does not include:

- (a) the rebooting, reloading or updating of software or firmware
- (b) the incompatibility of **Covered Equipment** with any software or equipment installed, introduced or networked within the previous 30 days
- (c) the **Covered Equipment** being of insufficient size, specification or capacity
- (d) malfunction resulting from causes excluded under Section Exclusion 2.

### Explosion

The sudden and violent rending of the **Covered Equipment** by force of internal steam or other fluid pressure (other than pressure caused by chemical action, ignited flue gases or ignition of the contents) causing bodily displacement of any part of the **Covered Equipment** together with forcible ejection of its contents.

### Hazardous Substance

Any substance, other than ammonia, that has been declared to be hazardous to health by a governmental agency.

### Hydroelectric Installations

Any equipment, machinery, dam and weir used in connection with running a hydroelectric-power station, including turbines, sluice gates, screens, screeners, pumps, motors, generators, gearboxes, engines, alternators and associated equipment. Hydroelectric Installations also include any substation and distribution transformer, switchgear, meter, cabling, telecommunication and monitoring device, building and converter housing (including fixtures and fittings), and security equipment.

### Manufacturing Production or Process Equipment

Any machine or apparatus (other than boilers, lifts, forklift trucks, dock levellers and lifting tables) which has a primary purpose of processing or producing a product or service intended for eventual sale by **You** and any equipment which exclusively serves such machinery or apparatus.

### Portable Computer Equipment

- (a) laptops, palmtops and notebooks
- (b) personal digital assistants (PDAs)
- (c) projectors, printers, scanners and other peripheral devices which are designed to be carried and used in conjunction with other Portable Computer Equipment
- (d) removable satellite navigation systems
- (e) digital cameras
- (f) smart phones.

### Service Provider

A business that **You** hire under a written contract to perform services on **Your** behalf in connection with the **Business**.

### Transit

The loading, unloading and movement of **Covered Equipment** (owned by **You** or for which **You** are responsible) other than by air or sea unless the sea transit is by roll-on/roll-off ferry.

### Cover

**We** will pay **You** for direct physical loss or damage from an **Accident** to **Covered Equipment** that is owned by **You** or for which **You** are responsible.

The cover under this Section will only apply where the Property Damage or the Property Damage and Business Interruption Sections of the policy are shown as insured on the **Schedule** for the current **Period of Insurance**.

### Extensions

The following Extensions apply to **Damage** caused by or resulting from an **Accident** to **Covered Equipment**.

#### Additional Access Costs

Where the Business Interruption Section is insured **We** will pay for any necessary additional costs incurred in order to gain access to repair or replace the **Covered Equipment** following an **Accident**.

**Our** liability will not exceed £20,000 any one **Accident**.

#### Anchor Location

Where the Business Interruption Section is insured **We** will pay for financial loss caused by or resulting from an **Accident** to property at an **Anchor Location**.

Provided that:

- (i) the property at the **Anchor Location** is of a similar type and function to the **Covered Equipment** that is the subject of this Section
- (ii) the **Anchor Location** has been open for business for at least six months prior to the **Accident** and is located within one mile of the **Premises** specified in the **Schedule**

# Equipment Breakdown

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Our liability in any one **Period of Insurance** will not exceed £50,000.

### Away from Premises

We shall provide insurance for direct physical loss or damage and any specified consequential loss from an **Accident** to **Covered Equipment**:

- (a) during **Transit** anywhere in the United Kingdom, the Channel Islands, the Isle of Man
- (b) whilst temporarily removed from the **Premises** specified in the **Schedule** to anywhere within the United Kingdom, the Channel Islands, the Isle of Man:
  - (i) as long as the **Covered Equipment** remains under **Your** control, or
  - (ii) if it is removed for the purpose of repair, replacement, restoration, service or modification
- (c) for **Portable Computer Equipment** at any location or in **Transit** anywhere in the world.

Our liability will not exceed the Equipment Breakdown Limit of Liability shown in the **Schedule**.

### Business Interruption

Where the Business Interruption Section is insured **We** will pay for financial loss caused by or resulting from an **Accident** to **Covered Equipment** including such **Damage** which occurs at **Your Service Provider(s)** premises.

**We** will not be liable under this Extension for any loss resulting from Extension – Damage to Own Surrounding Property.

Our liability will not exceed £100,000 or the Business Interruption sum insured, whichever is the lower in any one **Period of Insurance**.

### Damage to Own Surrounding Property

**We** will pay for **Damage** to property at the **Premises** belonging to **You** or in **Your** custody and control and for which **You** are responsible directly resulting from the **Explosion** or **Collapse** of any **Covered Equipment** operating under steam pressure.

Our liability will not exceed £2,000,000 any one **Accident**.

### Debris Removal

**We** will pay for costs incurred in the removal of debris and protection of **Covered Equipment** following an **Accident**.

Our liability will not exceed £25,000 any one **Accident**.

### Energy Efficiency Improvements

**We** will pay the additional cost to replace the damaged **Covered Equipment** following an **Accident** with similar equipment that is better for the environment, safer and more efficient than the **Covered Equipment** being replaced.

**We** will not be liable for any amount unless prior written consent has been given by **Us**.

Our liability will not exceed 25% of the new replacement cost of the damaged **Covered Equipment** or £25,000 whichever is less.

### Expediting Expenses

**We** will pay **You** for the reasonable extra cost to make temporary repairs to and expedite permanent repairs or permanent replacement of damaged **Covered Equipment**.

Our liability will not exceed £20,000 any one **Accident**.

### Hazardous Substances

**We** will pay for the additional costs to repair or replace **Covered Equipment** because of contamination by a **Hazardous Substance** including any additional expenses incurred to clean up or dispose of such property.

Our liability will not exceed £10,000 any one **Accident**.

### Hire of Substitute Item

If **Covered Equipment** is damaged as a result of an **Accident**, **We** will pay **You** for the cost of hire charges actually incurred by **You** during the **Period of Insurance** for the necessary hire of a substitute item of similar type and capacity during the period of repair or until permanent replacement of the item lost or damaged.

Our liability will not exceed £10,000 any one **Accident**.

### Loss Avoidance Measures

**We** will pay for the reasonable costs in taking exceptional measures to prevent or limit impending **Damage** to **Covered Equipment** as a result of an **Accident**.

This is provided that:

- (a) **Damage** would reasonably be expected if such measures were not implemented
- (b) **We** are satisfied that **Damage** has been avoided or mitigated as a result of the exceptional measures
- (c) the amount payable will be limited to the cost of **Damage** which would have otherwise occurred
- (d) the terms conditions and exclusions of this Section and the policy apply as if **Damage** has occurred
- (e) if **Damage** had occurred it would have resulted in a claim that would have been accepted by **Us** under this Section of the policy.

Our liability will not exceed £5,000 in any one **Period of Insurance**.

### Public Authorities/Law or Ordinance

If an **Accident** to **Covered Equipment** damages a Building that is covered under this policy and the loss is increased by enforcement of any public authority, ordinance or law in force at the time of the **Accident** that regulates the construction or repair of buildings, or establishes zoning or land use requirements, **We** will pay the following additional costs to comply with such ordinance or law:

- (a) **Your** actual expenditure for the cost to demolish and clear the site of undamaged parts
- (b) **Your** actual expenditure for increased costs to repair, rebuild or construct the Building. If the Building is repaired or rebuilt, it must be intended for similar use or occupancy as the current Building, unless otherwise required by zoning or land use ordinance or law

**We** will not be liable for:

- (i) any fine
- (ii) any liability to a third party
- (iii) any increase in loss due to a **Hazardous Substance** other than as specifically insured under Extension – Hazardous Substances
- (iv) increased construction costs until the Building is actually repaired or replaced.

Our liability will not exceed the Equipment Breakdown Limit of Liability shown in the **Schedule**.

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### Public Relations Costs

In the event of financial loss and with **Our** prior written agreement **We** will pay the cost for the services of a professional public relations firm to assist **You** in creating and disseminating communications to:

- (a) the media
- (b) the public
- (c) **Your** customers and clients

**Our** liability will not exceed £25,000 any one **Accident**.

### Reinstatement of Data and Computer Increased Costs of Working

Unless otherwise excluded, **We** will pay for the following costs incurred as a result of an **Accident** to **Covered Equipment**, including such **Damage** which occurs at **Your Service Provider(s)** premises.

- (a) Reinstating Data lost or damaged  
**Our** liability will not exceed £50,000 any one **Accident**.  
Provided that:
  - (i) liability is limited solely to the cost of reinstating data onto **Computer Media**
  - (ii) **We** will not be liable for **Damage** to software.
- (b) Reasonable costs necessarily incurred in minimising or preventing the resulting interruption or interference to **Your** computer operations.

**Our** liability will not exceed £50,000 any one **Accident** in respect of such additional costs.

### Repair Costs Investigation

**We** will pay costs relating to repair, investigations and tests by consulting engineers for **Damage** to **Covered Equipment** following an **Accident**.

**We** will not be liable for:

- (a) any fees incurred in preparing a claim
- (b) any amount unless prior consent has been given by **Us**

**Our** liability will not exceed £25,000 any one **Accident**.

### Storage Tanks & Loss of Contents

**We** will pay for **Damage** caused by an **Accident** to oil storage or water tanks including connected pipework belonging to **You** or for which **You** are responsible at the **Premises**.

**We** will also pay for loss of the contents of oil storage tanks caused by:

- (a) escape of contents, leakage, discharge or overflow from the oil storage tanks caused by or resulting from an **Accident**
- (b) contamination of the contents of the oil storage tanks caused by or resulting from an **Accident**

including cleaning costs incurred as a result of such a loss.

**Our** liability will not exceed £10,000 in respect of any one **Accident**.

### Maximum Amount Payable

**Our** liability will not exceed the Equipment Breakdown Limit of Liability shown in the **Schedule**.

Within this amount **Our** liability will not exceed:

- (a) £500,000 for any one **Accident** to **Computer Equipment**

- (b) £5,000 for any one **Accident** to **Portable Computer Equipment**

Any limit shown against an Extension is within and does not increase the Equipment Breakdown Limit of Liability.

### Basis of Claims Settlement

As described in the Property Damage and Business Interruption Sections of this policy.

### Special Conditions

These **Special Conditions** are in addition to the **General Conditions** and **Claims Conditions** shown at the front of the policy.

### Back Up Records

**You** must:

- (a) back up original data at least every 7 days
- (b) take precautions to make sure that all data is stored safely

If a **Service Provider** processes or stores data for **You**, **You** must make sure that the terms of the contract with the **Service Provider** allows for data to be backed up in line with this Condition.

If **You** fail to comply with this Condition **We** will not pay for any claim unless **You** can evidence that formal procedures are in place and that the failure to comply was an accidental oversight or as a result of circumstances beyond the **Your** control.

### Precautions

**You** must exercise due diligence in:

- (a) complying with any statute or order
- (b) ensuring that **Your** items are properly maintained and used in accordance with manufacturer's recommendations and in taking reasonable precautions to prevent **Damage**.

### Exclusions

The following **Exclusions** apply to this Section in addition to the **General Exclusions** at the front of this policy.

This Section does not cover:

1. loss or damage caused by or resulting from a hydrostatic pneumatic or gas pressure test of any boiler or pressure vessel or an insulation breakdown test of any type of electrical equipment
2. loss or damage of any kind caused by a **Cyber Event**
3. loss or damage to data or **Computer Media** of any kind caused by:
  - (a) programming error or programming limitation
  - (b) loss of data (other than as specifically provided for under Extension - Reinstatement of Data)
  - (c) loss of access
  - (d) loss of use
  - (e) loss of functionality

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4. loss or damage caused by:
  - (a) depletion, deterioration, corrosion, erosion, wear and tear or other gradually developing conditions
  - (b) any condition which can be corrected by resetting, calibrating, realigning, tightening, adjusting or cleaning or by the performance of maintenanceBut if loss or damage from an **Accident** results **We** will be liable for that resulting loss or damage.
5. loss or damage recoverable under any maintenance agreement or any warranty or guarantee
6. any claim, cost or loss caused by or resulting from **Your** commercial decision to stop trading, or the decision of a **Service Provider** to stop or reduce trade with You or restrict services
7. the **Excess** stated in the **Schedule**.