

## Property – equipment breakdown

### Policy wording

The General terms and conditions, the Property definitions and the following terms and conditions all apply to this section.

### Special definitions for this section

<b>Derangement</b>	Electrical or mechanical malfunction of <b>computers</b> arising from a cause internal to the <b>computer</b> unaccompanied by visible damage to or breaking out of any parts of the <b>computer</b> .
<b>Hazardous substance</b>	Any substance, other than ammonia, that has been declared to be hazardous to health by a governmental agency.

### What is covered

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|---|---|
| Equipment and computers                         | <ol style="list-style-type: none"> <li>1. <b>We</b> will insure <b>you</b> against <b>failure</b> occurring during the <b>period of insurance</b> to:           <ol style="list-style-type: none"> <li>a. <b>equipment at the insured premises</b>, provided that such premises is located within the United Kingdom of Great Britain and Northern Ireland, the Isle of Man, the Channel Islands or the Republic of Ireland; and</li> <li>b. <b>computers at the insured premises</b>, provided that such premises is located within the United Kingdom of Great Britain and Northern Ireland, the Isle of Man, the Channel Islands or the Republic of Ireland; and</li> <li>c. <b>computers</b> anywhere in the United Kingdom of Great Britain and Northern Ireland, the Isle of Man, the Channel Islands or the Republic of Ireland.</li> </ol> </li> </ol>  |
| Hazardous substances                            | <ol style="list-style-type: none"> <li>2. <b>We</b> will pay for the additional cost to repair, replace, clean-up or dispose of <b>equipment</b> or <b>computers</b> solely due to contamination by a <b>hazardous substance</b> following a <b>failure</b> occurring during the <b>period of insurance</b>.</li> </ol>   |
| Reconstitution of electronic data               | <ol style="list-style-type: none"> <li>3. The reasonable costs for <b>reconstitution of data</b> as a direct result of:           <ol style="list-style-type: none"> <li>a. <b>failure</b> covered under this section; or</li> <li>b. <b>derangement</b> occurring during the <b>period of insurance</b>.</li> </ol> </li> </ol>  |
| Expediting expenses                             | <ol style="list-style-type: none"> <li>4. <b>We</b> will pay for the reasonable costs to make temporary repairs and expedite permanent repairs to or permanent replacement of <b>equipment</b> or <b>computers</b> following <b>failure</b> occurring during the <b>period of insurance</b>.</li> </ol>   |
| Building repair and reconstruction requirements | <ol style="list-style-type: none"> <li>5. If <b>failure</b> of insured <b>equipment</b>, <b>computers</b> or oil or water storage tanks covered by this section causes <b>damage</b> to a <b>building</b> covered by this <b>policy</b>, and the loss is increased by enforcement of any regulation or legal requirement that:           <ol style="list-style-type: none"> <li>a. regulates the construction or repair of buildings; or</li> <li>b. establishes land use requirements,</li> </ol>           then <b>we</b> will pay for the necessary and reasonable additional costs incurred by <b>you</b> to:           <ol style="list-style-type: none"> <li>i. demolish and clear the site of undamaged parts; and</li> <li>ii. repair or rebuild the building.</li> </ol> <p>If the building is repaired or rebuilt, it must be intended for similar use or occupancy as the current building, unless otherwise required by any land use regulation or legal requirement.</p> </li> </ol> |
| Oil and water storage tanks                     | <ol style="list-style-type: none"> <li>6. <b>We</b> will pay for:           <ol style="list-style-type: none"> <li>a. <b>failure</b> occurring during the <b>period of insurance</b> to oil and water storage tanks, including connected pipework, which belong to <b>you</b> or for which <b>you</b> are legally responsible at the <b>insured premises</b>; and</li> </ol> </li> </ol>  |

- b. the reasonable costs to:
- i. replace the contents of oil storage tanks at the premises; and
  - ii. clean and decontaminate **property** at the premises,
- following **damage** to such tanks covered by this section, if the contents of the tank leak, discharge or overflow from the tank or are contaminated as a direct result of the **damage**.
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## **What is not covered**

We will not make any payment for:

1. **damage to equipment, computers** or oil or water storage tanks due to **failure** caused by wear and tear, inherent defect, rot, fungus, mould, vermin or infestation, or any gradually operating cause;
2. **failure** caused by:
  - a. a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
  - b. an insulation breakdown test of any type of electrical equipment.
3. the value to **you** of any lost or distorted data or information.
4. **damage** to:
  - a. any structure, foundation, masonry, brickwork, cabinet or compartment which supports **equipment, computers** or oil or water storage tanks;
  - b. any insulating or refractory material;
  - c. sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
  - d. water piping other than boiler feedwater piping, boiler condensate return piping, hot water heating and supply piping or water piping forming a part of a refrigerating or air conditioning system;
  - e. sprinkler system tanks;
  - f. vehicles other than fork-lift trucks, aircraft, floating vessels or any equipment mounted on them;
  - g. dragline, excavation or construction equipment;
  - h. equipment manufactured by **you** for sale;
  - i. tools, dies, cutting edges, crushing surfaces, trailing cables, non-metallic linings, driving belts or bands or any part requiring periodic renewal;
  - j. any electronic equipment, other than **computers**, used for research, diagnostic, treatment, experimental or other medical or scientific purposes;
  - k. **production or process equipment**;
  - l. domestic laundry, kitchen, audio visual and home entertainment equipment while such equipment is used in private living quarters.
5. **damage** to any **equipment, computers** or oil or water storage tanks not insured under the other property sections of this **policy**.
6. loss or damage recoverable under any maintenance agreement, warranty or guarantee, or which would be recoverable but for a breach of **your** obligations under such agreement, warranty or guarantee.
7. any **damage**, loss, cost or expense directly or indirectly caused by, contributed to by, resulting from or in connection with any of the following:
  - a. **terrorism**;
  - b. civil commotion in Northern Ireland.
  - c. **war**;
  - d. **confiscation**;
  - e. **nuclear risks**;

- f. **communicable disease**; or
  - g. any fear or threat of 7.a. to 7.f. above;
  - h. any action taken in controlling, preventing, suppressing, responding or in any way relating to 7.a. to 7.g. above.
- If there is any dispute between **you** and **us** over the application of clause 7.a. and 7.b, it will be for **you** to show that the exclusion does not apply.
- 8. any **damage**, loss, cost or expense directly or indirectly caused by, contributed to by, resulting from or in connection with any of the following:
    - a. **cyber attack**;
    - b. **hacker**;
    - c. **social engineering communication**; or
    - d. a failure of electronic equipment to correctly recognise, process or store any date.
  - 9. the amount of any **excess**.

## How much we will pay

**We** will pay up to the **amount insured** stated in the schedule unless limited below or in the schedule.

### Repair and replacement

At our option **we** will repair, replace or pay for any lost or damaged items on the following basis:

1. for **equipment, computers**, oil or water storage tanks or other insured items owned by **you**, the cost of repair or replacement as new.
2. for **equipment, computers**, oil or water storage tanks or other insured items for which **you** are legally responsible, the lesser of:
  - a. **your** liability in respect of the **equipment or computers** or items; or
  - b. the cost of repair or replacement.

### Debris removal

**We** will pay the necessary and reasonable costs and expenses **you** incur to remove debris of **equipment, computers**, oil or water storage tanks or other insured items from the **insured premises** or the area immediately adjacent, following **damage** insured by this section.

### Other interests

Any payment **we** make will take into account the interest of any party having an insurable interest in the **property** insured, provided **you** have advised **us** of the nature and extent of the interest together with the name and address of that interested party.

## Your obligations

### If any damage occurs

**We** will not make any payment under this section unless **you**:

1. notify **us** promptly of any **failure** which might be covered; and
2. arrange for urgent repairs to be done immediately. Before any other repair work begins **we** have the right to inspect the damaged **property**. **We** will tell **you** if **we** want to do this.

### Backing-up electronic data

**You** must take all reasonable steps to make back-up copies of all data at least once a week and keep the copies away from the **insured premises**. If **you** do not, **we** may reduce any payment **we** make by an amount equal to the detriment **we** have suffered as a result.

### Precautions

**You** must take reasonable steps to:

1. comply with any statute or order applicable to the insured **equipment, computers** or oil or water storage tanks; and
2. ensure that insured **equipment, computers** and oil or water storage tanks are properly maintained and used in accordance with the manufacturer's recommendations.

**We** will not make any payment under this section in respect of any incident occurring while **you** are not in compliance with these conditions, unless **you** can demonstrate that such



non-compliance could not have increased the risk of the loss occurring in the circumstances in which it occurred.

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