

## Equipment Breakdown - Course of Construction - Extra Expense Endorsement - BM53

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### 1. INSURING AGREEMENT

In consideration of the Premium charged, the Insurer hereby agrees, with respect to the Business at the insured location(s), that if during the period while this Form is in effect and if any Equipment installed in its permanent position at said location(s), while it is in use or connected ready for use, shall sustain a Breakdown, the Insurer will pay the Insured the amount of Extra Expense as defined in this Endorsement, necessarily incurred by the Insured in order to continue as nearly as practicable the normal course of the Project, provided such Extra Expense is incurred solely as a result of a Breakdown which occurs while this Endorsement is in effect; subject to the Amount of Insurance specified in the Declarations for this Form, and subject otherwise to the terms, conditions, provisions and definitions of the Policy BM51.

### 2. EXCLUSIONS

The Insurer shall not be liable for payment for any Extra Expense:

- a) resulting from any loss to which any of the exclusions per BM51 apply;
- b) for any time during which the Project would not or could not have been carried on if the Breakdown had not occurred;
- c) resulting from the failure of the Insured to use due diligence and dispatch and all reasonable means in order to resume the Business of the Insured location;
- d) due to fines or damages for breach of contract, for late or non-completion of contracts or orders, or any penalties;
- e) resulting from alterations, additions, improvements, the rectification of defects or faults, or the elimination of any deficiencies carried out after the Breakdown occurred;

### 3. CONDITIONS

- 1) **Liability:** The Liability of the Insurer under this Form, on account of Any One Breakdown, shall not exceed the amount stated in the Declarations for this Form and shall apply irrespective of the Limit per Accident as specified in the Policy. The insurer shall be liable for such Extra Expense for not exceeding such length of time, referred to as the "Period of Restoration" as stated in the Declarations, and is not limited by the expiration of this policy.

If more than one Insured is named, the Insurer shall not be liable under this Form for any payment in excess of that for which it would have been liable if only one Insured had been named.

- 2) **Commencement of Liability:** The commencement of the Insurer's liability under this coverage shall be (a) the time of the "Breakdown" or (b) 24 (twenty-four) hours before the notice of the Accident is received by the Insurer, whichever is later. If the time in effect at the address to which a notice is sent is different from that in effect at the Location where the "Breakdown" occurred, the time of the receipt of such notice, for the determination of the Commencement of Liability, shall be considered on the basis of the time in effect where the Breakdown occurred.

- 3) **Deductible:** If an amount is specified in the Declarations for this Coverage, such an amount shall be deducted from the total amount of any loss and expense for which the Insurer is liable under this coverage for any one Breakdown, and no liability shall exist for such amount deducted.

#### 4. DEFINITIONS

- 1) **Extra Expense:** "Extra Expense" shall mean the costs related to equipment or other property installed to replace the function of the damaged insured equipment on a temporary basis to resume the Project. In no event shall the Insurer be liable under this coverage for loss of income, or for Extra Expense in excess of that necessary to continue as nearly as practicable the normal progress of the Project, or for the cost of repairing or replacing any property that has been damaged or destroyed by the Breakdown; except such cost incurred for the purpose of reducing the total amount of Extra Expense; however, the Insurer's liability for such cost shall not exceed the amount by which the total Extra Expense otherwise payable under this Coverage is reduced. Any salvage value of substitute or temporary equipment or property shall be taken into consideration in the adjustment of any loss under the terms of this Form.
- 2) **Normal:** Normal means the condition that would have existed had no Breakdown occurred.
- 3) **General:** Except as provided by this Endorsement, all terms, conditions, exclusions, provisions, and definitions of the policy and of any schedule or Endorsement forming a part thereof, shall govern the insurance coverage provided by this Endorsement.