

# EQUIPMENT BREAKDOWN ADVANTAGE – CONSEQUENTIAL DAMAGE

This Endorsement Changes the Policy. Please Read It Carefully.

Certain words and phrases that appear in bold have special meaning as defined below or in the Form to which this Endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Endorsement; these titles have only been inserted for ease of reading.

This Endorsement is attached to the Equipment Breakdown Advantage Form and is subject to all terms, conditions, limitations and exclusions of such Form.

## INSURING AGREEMENT

1. We agree that if the **specified property**, described in the Declaration Page(s), is damaged due to spoilage resulting solely from a **breakdown** to an **equipment**, in use or connected and ready for use, at a **premise** we will pay you, up to the Amount of Insurance stated in the Declaration Page(s):
  - 1.1. the amount of loss or damage on your **specified property**;
  - 1.2. the amount of loss or damage on **specified property** of others which you become obligated to pay by reason of your liability for such loss or damage;
  - 1.3. the amount of expense which is reasonable, incurred by you or us, to reduce or avert the loss or damage, but only to the extent that the total amount that otherwise would have been paid under coverages 1.1. and 1.2. above is thereby reduced.

## EXCLUSIONS

This Endorsement does not cover any loss or damage:

1. resulting from types of breakdowns that we do not cover;
2. resulting from a **breakdown** or aggravation of a **breakdown** occurring when you omit or that you do not permit us to take necessary measures to protect the **specified property** against loss or damage;
3. greater than the **actual cash value** of the **specified property** that is damaged or destroyed.

## SPECIAL PROVISIONS

### 1. AMOUNT OF INSURANCE

Our total liability under this Endorsement for loss from **any one breakdown** shall not exceed the Amount of Insurance stated in the Declaration Page(s) for this Endorsement. If more than one Insured is named, we shall not be liable under this Endorsement for any payment in excess of that for which it would have been liable if only one Insured had been named.

Our liability under this Endorsement shall not be limited by the expiration of this Policy.

### 2. COMMENCEMENT OF LIABILITY AND WAITING PERIOD

- 2.1. If no waiting period is applicable to your coverage, our liability commences:
  - 2.1.1. at the time of **breakdown**; or
  - 2.1.2. twenty-four (24) hours before the notice of **breakdown** is received by us;whichever is later.
- 2.2. 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;
- 2.3. If a waiting period is stated in the Declaration Page(s), we are not liable for payment for business interruption during any period prior to the expiration of such waiting period, after such receipt by us of notice of **breakdown**.

### 3. DEDUCTIBLES

For any loss or damage caused by **any one breakdown**, you shall bear that part of the loss corresponding to the applicable deductible specified in the Declaration Page(s).

### 4. CO-INSURANCE

If at the time of **breakdown**, the Amount of Insurance is less than the amount obtained by multiplying the **percentage of the total value** specified in the Declaration Page(s) to the **actual cash value** of the **specified property** stated in the Declaration Page(s), the amount that we will pay will be reduced in the same proportion.

### 5. WAIVER OF TERM OR CONDITION

No term or condition of this Endorsement shall be deemed to be waived by us, in whole or in part, unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by us. Neither us nor you shall be deemed to have waived any term or condition of this Endorsement by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or the investigation or adjustment of any claim under this Policy.

#### 6. REDUCTION OF PAYMENT

As soon as possible after a **breakdown**, you must continue or resume business, in whole or in part, and utilize every available means, including surplus machinery, duplicate parts, equipment, supplies and surplus or reserve stock, other premises or installations or any other means within reasonable limits, which may be owned, controlled or used by you, which might reduce the amount for which we would otherwise be liable under this Endorsement. We may take such means as will in our opinion reduce or avert prevention of business on the **premises**.

#### 7. RESUMING BUSINESS AT A NEW LOCATION

If your business can be resumed, after the **breakdown**, at a location not insured, either by you or by others on your behalf, we will take it into account in the calculation of the amount of loss.

#### 8. MULTIPLE LOCATIONS

If this coverage applies to several **premises** which each have their own clauses, amount of insurance, waiting period and deductible, we will apply separately the clauses in this Endorsement and of the basic policy to each **premise**.

Where the laws of Québec govern this Policy, the general conditions contained under Form 240.0e, General Conditions, supersede the following special conditions in case of duplication:

#### 9. OTHER INSURANCE

In the event of a **joint loss**:

- 9.1. We shall be liable under this Endorsement only for the proportion of said **joint loss** that the amount which would have been payable under this Endorsement on account of said **joint loss**, had no other insurance existed, bears to the combined total of the said amount and the amount which would have been payable under all other insurance on account of said **joint loss**, had there been no insurance under this Endorsement; but
- 9.2. In case the Policy or Policies affording such other insurance do not contain a clause similar to Clause 5. above, we shall be liable under this Endorsement only for the proportion of said **joint loss** that the amount insured under this Endorsement, applicable to said **joint loss**, bears to the whole Amount of Insurance, applicable to said **joint loss**.

## DEFINITIONS

Whenever used in this Endorsement:

1. **Actual cash value** means the value of all **specified property** at the time of a **breakdown**, less depreciation, however caused.
2. **Joint loss** means loss to which both this insurance and other insurance carried by the Insured apply.
3. **Percentage of total value** means the percentage specified in the Declaration Page(s) and refers to the proportion between your Amount of Insurance specified in the Declaration Page(s) and the **actual cash value** of the **specified property**.
4. **Specified property** means property specifically described in the Declaration Page(s), or in any Schedules or Endorsements as may be attached to the Policy.

All other terms and conditions of the Policy to which this Endorsement applies remain unchanged.