

# EQUIPMENT BREAKDOWN ELITE – BUSINESS INTERRUPTION – EXTRA EXPENSE

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 Policy 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 Elite Form and is subject to all terms, conditions, limitations and exclusions of such Form.

## INSURING AGREEMENT

### 1. INDEMNITY AGREEMENT

- 1.1. The Insurer will pay the Insured the **Extra Expense** necessarily incurred to continue as nearly as practicable the **Normal** operation of the Insured's business during the **Period of Restoration**, subject to the **Limit of Insurance** specified in the Declaration Page(s) for this Policy, if the business carried on by the Insured at the **Location** is interrupted solely as a result of an **Accident**, which occurs while this Endorsement is in effect.
- 1.2. The Insurer shall be liable for such **Extra Expense** commencing with the date of the **Accident** and, not to be limited by the expiration date of this Policy, for not exceeding such length of time as shall be required with the exercise of due diligence and dispatch to restore the **Normal** operation of the Insured's business at the **Location**.

## EXCLUSIONS

The Insurer shall not be liable for payment for any interruption or interference with business:

1. for any time during which the Insured's business would not or could not have been carried on if the **Accident** had not occurred;
  2. resulting from the Insured's failure to use due diligence and dispatch and all reasonable means in order to resume business after an **Accident**; or
  3. because of a suspension, lapse, or cancellation of any lease, license or order, after the period following any loss during which indemnity is payable;
- With respect to this Endorsement only, **EXCLUSIONS 12., 13., and 14.**, contained under the Equipment Breakdown Elite Form are deleted in their entirety.

## SPECIAL PROVISIONS

### 1. LIMIT OF INSURANCE

The Insurer's liability under this Endorsement, on account of **Any One Accident** shall not exceed the **Limit of Insurance** stated in the Declaration Page(s) for this Endorsement. The amount shall apply irrespective of any other **Limit of Insurance** specified.

If more than one Insured is named, the Insurer 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.

The Insurer's liability under this Endorsement shall not be limited by the expiration of this Policy.

### 2. COMMENCEMENT OF LIABILITY

- 2.1. The commencement of the Insurer's liability under this Endorsement commences:

- 2.1.1. the time of **Accident**; or
- 2.1.2. twenty-four (24) hours before the notice of **Accident** is received by the Insurer;

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 **Accident** 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 **Accident** occurred.

### 3. INDEMNITY PERIOD

The **Indemnity Period**, with respect to this Endorsement, is not limited by the fact that the policy period has expired, should a loss extend beyond this date.

### 4. DEDUCTIBLES

Notwithstanding the deductible applicable to the Equipment Breakdown Elite Form, the Insurer is liable for any **Extra Expense** caused by an **Accident** to an **Object** after any waiting period, or greater than any **Average Daily Value** or other deductible amount, which is specified in the Declaration Page(s).

### 5. MITIGATION

- 5.1. As soon as possible after an **Accident**, the Insured 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 the Insured, which might reduce the amount for which the Insurer would otherwise be liable under this Endorsement. The Insurer may take such means as will in the Insurer's opinion reduce or avert business interruption at the **Location**.

- 5.2. If the **Insured's** business can be resumed, after the **Accident**, at a location not insured, either by the **Insured** or by others on the **Insured's** behalf, the **Insurer** will take such resumption of business into account in the calculation of the amount of loss.

## DEFINITIONS

For the purpose of this Endorsement:

1. **Average Daily Value** means the amount obtained by dividing the estimated number of working days, during the period of total or partial business interruption, into the sum of the estimated amount of loss as defined in any Business Interruption Endorsement forming part of this Policy, that would have been earned, had no **Accident** occurred during the same period. The words "period of total or partial business interruption" being understood to include any period during which any expense for which the **Insurer** is liable under this Endorsement is incurred by the **Insured** to reduce or avert business interruption.

2. **Extra Expense** means the additional cost to conduct the **Insured's** business during the **Period of Restoration** over and above the cost that normally would have been incurred to conduct the business during the same period had no **Accident** occurred.

This additional cost may include the expense of obtaining and using other property or facilities of other concerns or other necessary emergency expenses.

**Extra Expense** does not include:

- 2.1. loss of income;
- 2.2. **Extra Expense** in excess of that necessary to continue as nearly as practicable the **Normal** conduct of the **Insured's** business; nor
- 2.3. for the cost of repairing or replacing any property that has been damaged or destroyed by an **Accident**, except such cost incurred for the purpose of reducing the total amount of **Extra Expense**. In this case, this **Extra Expense** must not exceed the amount by which the total **Extra Expense** otherwise payable is reduced.

Any salvage value of substitute or temporary equipment or property remaining after resumption of **Normal** operations is taken into consideration in the adjustment of any loss.

3. **Indemnity Period** means the period beginning with the occurrence of the **Accident** and ending no later than twelve (12) months thereafter, during which the results of the business shall be affected as a result of the **Accident**.

4. **Normal** means the condition that would have existed had no **Accident** occurred.

5. **Period of Restoration** means the period following an **Accident** to resume the **Insured's Normal** operation at the **Location**, with due diligence and dispatch and all reasonable means that the **Insured** has to accelerate the resumption of business.

This **Period of Restoration**:

- 5.1. begins at the time of the commencement of liability; and
- 5.2. ends on the date when the damaged property at the described **Location** is repaired or replaced.

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