

## SERVICE LINE COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS-- BASIC FORM  
CAUSES OF LOSS-- BROAD FORM  
CAUSES OF LOSS-- SPECIAL FORM

A. The Building and Personal Property Coverage Form is modified as follows.

1. **DEDUCTIBLE**

Only as regards Service Line Coverage, provision D. DEDUCTIBLE is deleted and replaced with the following:

Subject to the limit provided under the Coverage Agreement section of this endorsement, we will pay only that part of the loss that exceeds \$1,000. No other deductible applies to this coverage.

2. **CONDITIONS**

The following conditions are in addition to the Conditions in the Building and Personal Property Coverage Form, the Commercial Property Conditions and the Common Policy Conditions.

a. **Environmental, Safety and Efficiency Improvements**

If a "covered service line" requires replacement due to a "service line failure," we will pay your additional cost to replace with materials that are better for the environment, safer or more efficient than the materials being replaced.

However, we will not pay more than 125% of what the cost would have been to replace with like kind and quality. This condition does not increase the limit that applies to this endorsement.

b. **Loss Settlement**

Losses under this endorsement will be settled as follows:

(1) Our payment for damaged covered property will be the smallest of:

- (a) The limit of liability that applies to this endorsement;
- (b) The cost to repair the damaged property;
- (c) The cost to replace the damaged property on the same premises; or
- (d) The necessary amount actually spent to repair or replace the damaged property.

(2) Except as described in Environmental, Safety and Efficiency Improvements above, you are responsible for the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.

(3) You are responsible for the extra cost to alter or relocate "covered service lines."

B. The following is added as an Additional Coverage to the Causes of Loss – Basic Form, Broad Form or Special Form.

### **Additional Coverage – Service Line**

1. **COVERAGE AGREEMENT**

We will provide the insurance described in this endorsement in compliance with all applicable provisions of this policy. The most we will pay for loss, damage or expense under this endorsement arising from any "one service line failure" is \$10,000.

2. **COVERAGES**

The following coverages are added, subject to the limit provided under the Agreement section of this endorsement:

- a. **Damages to "Covered Service Line"**  
We will pay for physical damage to your "covered service line" that is the direct result of a "service line failure."
- b. **Excavation Costs**  
With respect to your "covered service line" that is damaged as the result of a "service line failure," we will pay the necessary and reasonable excavation costs that are required to repair or replace the damaged "covered service line."
- c. **Expediting Expenses**  
With respect to your "covered service line" that is damaged as the result of a "service line failure," we will pay the reasonable extra cost to:
  - (1) make temporary repairs; and
  - (2) expedite permanent repairs or permanent replacement.
- d. **Outdoor Property**  
We will pay for your outdoor property, including trees, shrubs, plants, lawns, walkways and driveways, that is damaged as a result of a "service line failure" or that is damaged during the excavation of your "covered service line" following a "service line failure." The most we will pay for loss or damage under this coverage is \$1,000, but not more than \$250 for any one tree, shrub or plant.
- e. **Rental Value**  
Any insurance provided under this coverage part for loss of Rental Value is extended to the coverage provided by this endorsement.

### 3. EXCLUSIONS

All exclusions in the Causes of Loss form apply except as modified below and to the extent that coverage is specifically provided by this Service Line Coverage endorsement.

- a. If any of the following causes of loss are excluded by your policy, then those exclusions do not apply to this endorsement:
  - (1) wear and tear, marring, deterioration or hidden decay;
  - (2) rust or other corrosion;
  - (3) mechanical breakdown, latent defect or inherent vice;
  - (4) weight of equipment, animals or people;
  - (5) artificially generated electrical current; or
  - (6) freezing;
- b. The following exclusions are added:
  - (1) We will not pay for loss or damage to:
    - (a) septic systems, including leach fields, septic tanks, pumps, motors or piping that runs from the septic tank to the leach fields;
    - (b) water wells, including well pumps or motors;
    - (c) heating and cooling systems, including heat pumps; or
    - (d) irrigation or sprinkler systems.
  - (2) We will not pay for loss or damage to a "covered service line" that is damaged while it is being installed, dismantled or repaired. However, this exclusion shall not apply if a covered "service line failure" necessitated such installation, dismantling or repair.
  - (3) We will not pay for loss or damage caused by any of the following:
    - (a) flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; or water that backs up or overflows from a sewer, drain or sump; or
    - (b) "earth movement," except for "earth movement" that results from the ground thawing after a freeze.
  - (4) We will not pay to clean up or remove pollutants, hazardous waste or sewage.
  - (5) We will not pay under this endorsement for loss or damage caused by or resulting from any of the following causes of loss:
    - (a) fire; or water or other means used to extinguish a fire;
    - (b) explosion; or
    - (c) lightning; windstorm or hail; smoke; aircraft; riot or civil commotion; theft; breakage of glass.

### 4. DEFINITIONS

- a. The following definitions are added:

- (1) "Covered service line" means underground piping and wiring, including permanent connections, valves or attached devices, as described and limited below.
    - (a) A "covered service line" must be one of the following:
      - (i) water piping that connects from the Building to a public water supply system or private well system;
      - (ii) sewer piping that connects from the Building to a public sewer system or private septic system;
      - (iii) ground loop piping that connects to a heat pump; or
      - (iv) power line that provides electrical service to the Building.
    - (b) The "covered service line" must:
      - (i) be located at a location described on the Declarations;
      - (ii) provide a service to the Building described on the Declarations; and
      - (iii) be owned by you or you must be legally liable for its repair or replacement.
    - (c) "Covered service line" does not include:
      - (i) that part of piping that runs through or under a body of water, including but not limited to, a swimming pool, pond or lake;
      - (ii) that part of piping or wiring that runs through or under the Building;
      - (iii) piping that delivers water to outdoor property, including but not limited to, sprinklers, irrigation systems, swimming pools, hot tubs and decorative ponds;
      - (iv) wiring that provides electricity to outdoor property, including but not limited to, light fixtures and electric fencing;
      - (v) piping or wiring that is not connected and ready for use; or
      - (vi) storm water drain piping.
  - (2) "One service line failure" means: If an initial "service line failure" causes other "service line failures," all will be considered "one service line failure." All "service line failures" that are the result of the same event will be considered "one service line failure."
  - (3) "Service line failure" means a leak, break, tear, rupture, collapse or arcing of a "covered service line." "Service line failure" does not include blockage or low pressure of a "covered service line."
- b. The following definition is substituted for the "earth movement" definition in the Causes of Loss form:
- (1) "Earth movement" means:
    - (a) earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
    - (b) landslide, mudslide or mudflow;
    - (c) subsidence or sinkhole collapse;
    - (d) tsunami or volcanic action; or
    - (e) any other naturally occurring earth movement including earth sinking, rising or shifting.

The definitions stated above also apply to section A. of this endorsement.