



## Section 7 Equipment breakdown

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**Your** schedule will show if this section is covered.

The **policy** has been amended to include Section 7 Equipment breakdown on the following terms and conditions.

### Basis of claims settlement

As described under Section 1 – Buildings and Section 2 – Rental income of this policy.

### Meanings of defined terms

**You** can find the meanings for words in bold blue on page 5. There are some words that may only appear in this section or are defined differently and their meanings are shown here.

#### Accident(s)

- 1 Electrical or mechanical **breakdown** including rupture or bursting caused by centrifugal force.
- 2 Artificially generated electrical current including electric arcing that disturbs electrical devices, appliances or wires.
- 3 **Explosion or collapse of covered equipment** operating under steam or other fluid pressure.
- 4 **Damage** to hot water boilers, other water heating equipment, oil or water storage tanks caused by or resulting from any condition or event (not otherwise excluded) occurring inside such equipment.
- 5 **Damage** caused by operator error that results in overloading of **covered equipment**.

All accidents that are the result of the same event will be considered to be one **accident**.

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## Section 7 Equipment breakdown *continued*

### Biomass and biogas installations

Any equipment and machinery used in connection with running biomass or biogas heating or power-generation plant, including anaerobic digesters, storage tanks augers, screeners, scrubbers, boilers, gas engines, generators, heat exchangers, pumps and motors.

#### Breakdown

- 1 The actual breaking, failure, distortion or burning out of any part of the **covered equipment** whilst in ordinary use arising from defects in the **covered equipment** causing its sudden stoppage and necessitating repair or replacement before it can resume work.
- 2 Fracturing of any part of the **covered equipment** by frost when such fracture renders the **covered equipment** inoperative.
- 3 The actual and complete severance of a rope but not breakage or abrasion of wires or strands even though replacement may be necessary.
- 4 **Electronic derangement.**

#### Collapse

The sudden and dangerous distortion (whether or not attended by rupture) of any part of the **covered equipment** caused by crushing stress by force of steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents).

#### Communicable disease

**Communicable disease** means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- 1 the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
- 2 the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid

or gas or between organisms, and the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

#### Computer equipment

Building management control systems.

#### Computer media

All forms of electronic magnetic ad tapes and discs for use in any **computer equipment**.

#### Covered equipment

Equipment owned by **you** or for which **you** are responsible at any **premises** covered under Section 1 Buildings of this **policy**.

- 1 which is built to operate under vacuum or pressure (other than the weight of its contents); or
- 2 that generates transmits stores or converts energy; or
- 3 which is **computer equipment**.

#### Cyber event

- 1 a failure of electronic equipment to correctly recognise, process or store any data
- 2 a hostile, malicious, illegal or transgressive act committed through electronic systems or, including but not limited to:-
  - a a virus (a program, code, programming instruction or any set of instructions intended to damage, interfere with or have a negative effect on computer programs, data or operations);
  - b hacking (unauthorised access to any computer or other electronic equipment);
  - c a denial of service attack (any actions or instructions intended to damage, interfere with or affect the availability or performance of networks, network services, network connectivity or telecommunication systems).

2 Defined terms are **highlighted in bold blue** ▶ see page 1, 2 and 3 of the General introduction section and the start of each section of cover for their meanings

## Section 7 Equipment breakdown *continued*

### Damage/damaged

Direct physical loss or damage.

### Electronic derangement

Malfunction of the **computer equipment** or electronic circuitry controlling or operating the **covered equipment** that is not accompanied by visible damage and requires replacement of one or more insured components of the **covered equipment** in order to restore it to its normal operation.

**Electronic derangement** does not include

- 1 the rebooting, reloading or updating of software or firmware
- 2 the incompatibility of **covered equipment** with any software or equipment installed, introduced or networked within the previous 30 days
- 3 the **covered equipment** being of insufficient size, specification or capacity
- 4 malfunction resulting from causes excluded under the **Cyber event** exclusion.

### Explosion

The sudden and violent rending of **covered equipment** by force of internal steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents) causing bodily displacement of any part of the **covered equipment** together with forcible ejection of the contents.

### Hazardous substance

Any substance other than ammonia that has been declared to be hazardous to health by a governmental agency.

### Hired in plant

Mechanical, electrical or manually powered implements, materials, containment preparation and handling equipment, scaffolding, staging ladders and similar equipment, site huts, cabins or similar contractors plant and equipment hired in by **you**.

### Manufacturing production or process equipment

Any machine or apparatus (other than boilers, lifts, fork lift trucks, dock levelers and lifting tables) which has a primary purpose of processing or producing a product or service intended for eventual sale by **you** and any equipment which exclusively serves such machinery or apparatus.

### Service provider

A business that **you** hire under a written contract to perform services on its behalf in connection with **your** business.

### Transit

The loading, unloading and movement of **covered equipment** (owned by **you** or for which **you** are responsible) other than by air or sea unless the sea transits is by roll-on/roll-off ferry.

### ✓ What is covered

Provided that Section 1 – Buildings and Section 2 – Rental income of this **policy** are operative **we** will cover **you** for **damage** caused by or resulting from an **accident** to **covered equipment** owned by **you** or for which **you** are responsible.

### Limit of cover

The most **we** will pay under this section is £10,000,000 any one **accident**.

### Extensions of cover

#### Additional access costs cover

Provided that Section 2 – Rental income of this **policy** is operative **we** will pay for any necessary additional costs incurred in order to gain access to repair or replace the **covered equipment** following an **accident**.

The most **we** will pay under this extension is £20,000 any one **accident**.

## Section 7 Equipment breakdown *continued*

### Away from premises

**We** will pay for **damage** resulting from an **accident** to **covered equipment**

- 1 during **transit** anywhere in the United Kingdom, the Channel Islands, the Isle of Man
- 2 whilst temporarily removed from the **premises** specified in the **policy schedule** to anywhere within the United Kingdom, the Channel Islands, the Isle of Man.
  - a as long as the **covered equipment** remains under **your** control, or
  - b if it is removed for the purpose of repair, replacement, restoration, service or modification.

### Computer reinstatement of data and computer increased costs of working

**We** will cover **you** for the costs incurred reinstating data loss or damage in consequence of an **accident** to or **electronic derangement** of **computer equipment**, including such loss or damage which occurs at **your service provider(s)** premises.

The most **we** will pay for this cover is £50,000 any one **accident**.

Provided that

- a liability is limited solely to the cost of reinstating data onto **computer media**
- b **we** will not be liable for loss of or damage to software
- c reasonable costs necessarily incurred in minimising or preventing the resulting interruption or interference to **your** computer operations.

**Our** liability will not exceed £50,000 any one **accident** in respect of such additional costs.

### Damage to own surrounding property cover

**We** will pay for **damage** to property at **your premises**, or **damage** to property which is in **your** custody and control and for which **you** are responsible, directly resulting from the **explosion** or **collapse** of any **covered equipment** operating under steam pressure.

The most **we** will pay under this extension is £1,000,000 any one **accident**.

### Debris removal cover

**We** will cover **you** for the costs incurred in the removal of debris and protection of **covered equipment** following an **accident**.

The most **we** will pay under this extension is £25,000 any one **accident** or 20% of the **damage** whichever is the lower.

### Energy efficiency improvements

With **our** prior written agreement **we** will pay the additional cost to replace the damaged **covered equipment** following an **accident** with similar equipment that is better for the environment, safer and more efficient than the **covered equipment** being replaced.

The most **we** will pay will not exceed 25% of the new replacement cost of the damaged **covered equipment** or £25,000 whichever is less.

### Expediting expenses cover

With respect to damaged **covered equipment** **we** will pay for the reasonable extra cost to make temporary repairs and expedite permanent repairs or permanent replacement.

The most **we** will pay under this extension is £20,000 any one **accident**.

### Hazardous substances cover

**We** will cover **you** for the additional cost to repair or replace **covered equipment** because of contamination by a **hazardous substance** including any additional expenses incurred to clean up or dispose of such property.

The most **we** will pay for this cover is £10,000 any one **accident**.

### Hired in plant cover

For plant hired in by **you** **we** will cover **you** for **your** legal liability under the terms of the hiring agreement to pay

- 1 for **damage** to the plant
- 2 continuing hiring charges for the plant following **damage** insured under 1

4 Defined terms are **highlighted in bold blue** ▶ see page 1, 2 and 3 of the General introduction section and the start of each section of cover for their meanings

## Section 7 Equipment breakdown *continued*

whilst the plant is at any **premises** specified in the **policy** schedule and whilst in transit (other than by sea or air) from one **premises** to another.

The most **we** will pay for this cover is £20,000 during any one **period of insurance**.

Where legal proceedings have been initiated against **you** with respect to a covered incident under this extension **we** will with **our** written consent pay all legal expenses incurred by **you**.

### Special Conditions applicable to hired in plant cover

- 1 **We** will only cover **you** to the extent required by
  - a the Model Conditions of the Hiring of Plant recommended by the Construction Plant-hire Association or the Scottish Plant Owners Association or conditions more onerousor
  - b specific conditions agreed by **us** in writing.
- 2 During any operation in which a load is shared between any items of lifting equipment (whether covered under this extension or not) the lifting operation must be conducted in accordance with BS7121

### Hire of substitute item cover

If **covered equipment** is damaged as a result of an **accident we** will pay for the cost of hire charges actually incurred by **you** during the **period of insurance** for the necessary hire of a substitute item of similar type and capacity during the period of repair or until permanent replacement of the item lost or damaged.

The most **we** will pay under this extension is £10,000 any one **accident**.

### Rental income cover

Provided that Section 2 – Rental income of this **policy** is operative **we** will cover **you** for loss of **rental income** caused by or resulting from an **accident to covered equipment**.

The insurance provided by this cover shall end 12 months after the time **you** suffer a loss of **rental income**.

Under this extension **we** will not pay for any loss resulting from Damage to own surrounding property.

### Repair costs investigation cover

With **our** prior written agreement **we** will pay costs relating to repair investigations and tests by consulting engineers for **damage to covered equipment** following an **accident** for an amount not exceeding £25,000 during any one **period of insurance**.

**We** will not cover **you** under this extension for fees incurred in preparing a claim under this **policy**.

### Storage tanks and loss of contents cover

**We** will pay for **damage** caused by an **accident** to oil storage tanks or water tanks including connected pipework belonging to **you** or for which **you** are responsible at the **premises**.

In addition, this extension covers loss of the contents of oil storage tanks caused by

- 1 escape of contents – leakage, discharge or overflow from the oil storage tanks caused by or resulting from an **accident**
- 2 contamination – contamination of the contents of oil storage tanks caused by or resulting from an **accident** including cleaning costs incurred as a result of such loss.

The most **we** will pay under this extension is £10,000 any one **accident**.

## ✘ What is not covered

The following exclusions are in addition to those detailed in Section 1 Buildings of this **policy**.

### Covered equipment exclusion

**We** will not cover **you** for **damage** to

- 1 any supporting structure foundation masonry brickwork or cabinet
- 2 any insulating or refractory material
- 3 any vehicle aircraft floating vessels or any equipment mounted thereon (other than vehicle recovery crane or equipment which is included but not the actual vehicle)

## Section 7 Equipment breakdown *continued*

- 4 self-propelled plant and equipment (other than forklift trucks and pallet trucks used by the **you** at **your premises**) dragline excavation or construction equipment
- 5 equipment manufactured by **you** for sale
- 6 safety or protective devices due to their functioning
- 7 tools dies cutting edges crushing surfaces trailing cables non-metallic linings driving belts or bands or any part requiring periodic renewal
- 8 any electronic equipment (other than **computer equipment**) used for research diagnostic treatment experimental or other medical or scientific purposes with a new replacement value in excess of £30,000
- 9 any **manufacturing production or process equipment** including linked **computer equipment**
- 10 any electricity generating equipment other than emergency back-up power equipment or wind turbines less than 10kw or photovoltaic equipment less than 50kw
- 11 any kitchen and food preparation equipment laundry and cleaning equipment audio-visual equipment and **computer equipment** whilst in a private dwelling or private dwelling quarters (unless such equipment is **your** property or for which **you** are responsible)
- 12 any **biomass or biogas installation**.
- 13 any hydroelectric installation.

### Cyber event

**We** will not be liable for loss or damage of any kind caused by a **cyber event**.

### Disease exclusion

Notwithstanding any provision to the contrary within this **policy**, this section excludes any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a **communicable disease** or the fear or threat (whether actual or perceived) of a **communicable disease** regardless of any other cause or event contributing concurrently or in any other sequence thereto.

### Excess exclusion

**We** will not cover **you** for the amount shown as the **excess** for all other **damage** under Section 1 – Buildings subject to a minimum amount of £350 for each and every loss.

### Guarantee or maintenance agreement exclusion

**We** will not cover **you** for damage recoverable under the maintenance agreement or any warranty or guarantee or which would be recoverable but for breach of **your** obligations under the agreement.

### Gradually operating causes exclusion

**We** will not cover **you** for damage caused by depletion, deterioration, corrosion, erosion, wear and tear or other gradually developing conditions (but any such **damage** resulting from an **accident** will be covered).

### Loss or damage to data or media exclusion

**We** will not cover **you** for damage to data or **computer media** of any kind caused by

- 1 programming error or programming limitation
- 2 a **Cyber event**
- 3 loss of data (other than as specifically provided for under the Extension of cover for the reinstatement of data)
- 4 loss of access
- 5 loss of use
- 6 loss of functionality.

### Resetting exclusion

**We** will not cover **you** for damage caused by any condition which can be corrected by resetting, calibrating, realigning, tightening, adjusting or cleaning or by the performance of maintenance (but any such **damage** resulting from an **accident** will be covered).

### Solidification exclusion

**We** will not cover **you** for damage due to the solidification or biological activity or spontaneous chemical reaction in the contents of tanks or materials being processed.

<sup>6</sup> Defined terms are **highlighted in bold blue** ▶ see page 1, 2 and 3 of the General introduction section and the start of each section of cover for their meanings

## Section 7 Equipment breakdown *continued*

### Testing exclusion

**We** will not cover **you** for damage caused by or resulting from a hydrostatic pneumatic or gas pressure test of any boiler or pressure vessel or an insulation breakdown test of any type of electrical equipment.

### Trading exclusion

**We** will not cover **you** for any claim, cost or loss caused by or resulting from **your** commercial decision to stop trading, or the decision of a **service provider** to stop or reduce trade with **you** or restrict services.

## Section conditions

### Back-up records condition

**You** must back up original data at least every 7 days.

If a **service provider** processes or stores data for **you**, **you** must make sure that the terms of the contract with the **service provider** allows for data to be backed up in line with this condition.

**You** must take precautions to make sure that all data is stored safely.

If **you** fail to keep to this condition, **we** may still pay a claim if **you** can show that formal procedures are in place to keep to this condition and that the failure was an accidental oversight or as a result of circumstances beyond **your** control.

### Precautions condition

**You** will exercise due diligence in

- 1 complying with any statute or order
- 2 ensuring that insured items are properly maintained and used in accordance with manufacturer's recommendations and in taking reasonable precautions to prevent damage.

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