

**EQUIPMENT BREAKDOWN – DWELLING  
PAGE CHECKLIST**

**MULTISTATE**

<b>MANUAL PAGE CHECKLIST</b>			
<p><b>This Page Checklist displays the latest pages included in this section of your Grinnell Mutual manual.</b></p> <p>NOTE: Always use the Edition Date to determine the latest page.</p> <p>New or revised pages are indicated with shading.</p>			
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EBD Multistate <b>(General Rules)</b> EBD-GR-1 thru EBD-GR-3	07/20		

**EQUIPMENT BREAKDOWN – DWELLING  
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**MULTISTATE**

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**PART I – COVERAGE & DEFINITION  
TYPE RULES**

**RULE 100.  
INTRODUCTION**

**A. GENERAL INFORMATION**

Endorsement **HG 4900** Equipment Breakdown Coverage – Dwelling provides coverage for direct physical damage to covered property caused by sudden and accidental mechanical or electrical breakdown; or tearing apart, cracking, burning, or bulging of a steam or hot water heating system, or an air conditioning system. Refer to **Rule 101.**, below, for a description of coverages.

- \* This coverage can be written as new business or added to the policy as a mid term change of coverage or at anniversary or renewal.

This optional endorsement may be attached to:

1. Direct Home-Guard policies, including Mobile Home-Guard, issued by Grinnell Mutual Reinsurance Company.
2. Home-Guard or AAIS Homeowners' policies, including mobile homes, issued by a mutual.
3. A Dwelling 1 or Dwelling Property policy, or any equivalent property form issued by a mutual for non-farm dwellings.
4. A Rented Dwelling policy issued on a dwelling that is rented, or held for rental, to others.

**B. DEDUCTIBLE**

A \$500 deductible applies, as stated in the endorsement.

**C. RATES**

Refer to the Rate Schedule for rates. Policy discounts, if any, do not apply.

**RULE 101.  
DESCRIPTION OF COVERAGES**

**A. EQUIPMENT BREAKDOWN COVERAGE**

1. Provides replacement cost coverage for property:
  - a. That generates, transmits, or utilizes energy; or
  - b. That, during normal usage, operates under vacuum or pressure other than the weight of its contents.

Such equipment must be located at the covered dwelling or other structure at the residence premises described in the Declarations, except as described in paragraph **5.**, under Supplemental Coverages.

Other structure means a building that pertains to the dwelling, such as a detached garage. It does not include any building used for agricultural or business purposes.

2. The following is a partial list of property that is not covered by this endorsement – refer to the endorsement for a complete list:
  - a. Piping, vessel, wiring, or tubing that is buried or encased in earth, concrete, or other material, whether above or below grade, or in an enclosure which does not allow access or inspection or repair;
  - b. Software or electronic data; or
  - c. Motor vehicles.

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**RULE 101.**  
**DESCRIPTION OF COVERAGES** *(Cont'd.)*

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**B. SUPPLEMENTAL COVERAGES**

1. **Loss of Use** – This coverage applies if an accident makes the residence premises not fit to live in, and includes:
  - a. Additional Living Expense, meaning any necessary increase in living expenses incurred by the insured so that his/her household can maintain its normal standard of living; and
  - b. Loss of Rent, meaning the rent the insured loses or the fair rental value of that part of the residence premises rented to others less any expenses that do not continue while the premises is not fit to live in.
2. **Refrigerated Products** – This coverage applies to damage to refrigerated property located on the residence premises, including:
  - a. Physical damage due to spoilage that is the result of an accident;
  - b. Any necessary expenses the insured incurs to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
3. **Expediting Expenses** – Covers reasonable extra costs incurred to make temporary repairs and expedite permanent repairs or permanent replacement.
4. **Pollutant Clean Up and Removal** – Covers pollution clean up and removal.
5. **Off-Premises Coverage** – Covers your covered equipment while temporarily at a premises or location that is not at a dwelling described in the Declarations. This coverage does not apply to any motor vehicle.

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**RULE 102.**  
**LIMITS**

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The following amounts of coverage apply.

- A. **Equipment Breakdown Coverage** – The maximum amount of coverage for any one loss is \$100,000. Coverage applies to the covered property described under **RULE 101. Description Of Coverages.**
- B. **Supplemental Coverages** – The following limits do not increase the limit stated in paragraph **A.**, above.
  1. **Loss of Use** – Up to \$10,000 is provided if an accident makes the residence premises not fit to live in.
  2. **Refrigerated Products** – Up to \$10,000 is provided for damage to refrigerated property located on the residence premises.
  3. **Expediting Expenses** – Are subject to the limit stated for Equipment Breakdown Coverage.
  4. **Pollutant Clean Up and Removal** – Up to \$10,000 per policy period is provided if resulting from an accident.
  5. **Off-Premises Coverage** – Up to \$10,000 is provided if resulting from an accident.

Increased limits are not available for equipment breakdown or the supplemental coverages listed above.

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\* **RULE 103. – 199.**  
**RESERVED FOR FUTURE USE**

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**PART II – MANDATORY COVERAGES**

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**RULE 200.**  
**HG 4905 – EQUIPMENT BREAKDOWN COVERAGE**  
**NOTICE, REJECTION OF EQUIPMENT**  
**BREAKDOWN COVERAGE**

\* *(Available in IA, IN, MO, MT, ND, NE, SD and WI only)*

This form needs to be attached only when a mutual elects to roll Equipment Breakdown Coverage onto all Homeowners/Dwelling policies for a charge.

The form notifies the insured that the coverage has been rolled on and of their right to reject this coverage by signing the rejection form and returning it to the agent or company.

If coverage is rejected, 100% of the premium must be refunded.

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**RULE 201. – 299.**  
**RESERVED FOR FUTURE USE**

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**EQUIPMENT BREAKDOWN – DWELLING  
RATE SCHEDULE  
ANNUAL PREMIUM**

**MULTISTATE**

<b>EQUIPMENT BREAKDOWN COVERAGE DWELLING (HG 4900)</b>	
* Grinnell Mutual Rate – \$500 Deductible	\$43
Equipment Breakdown Coverage is \$100,000 per accident.	