LOUDOUN MUTUAL
INSURANCE COMPANY
Waterford, Virginia
A Tradition of Serving Virginians Since 1849
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Agent/Underwriter Bulletin

Update to Home Systems Protection and Service Line Coverage(s): Changes to coverage limits, deductibles, terms, and conditions.

Effective for New Business 1/1/2022:

Loudoun Mutual's Home Systems Protection and Service Line forms have been changed to address coverage enhancements, clarifications, and limits. These changes are effective 01/01/2022 for new business policies. Existing policies with the Home Systems Protection and Service Line endorsements will keep the current version of the forms and are "grandfathered" in.

HOME SYSTEMS PROTECTION

Enhancements to Coverage

- Home Systems Protection Limit increased to $100,000
- Coverage for Pollutants Clean-up and Disposal as a direct result of a "home systems breakdown" sublimit increased to $10,000
- Spoilage: sublimit increased to $10,000
- Green coverage: sublimit increased to $10,000
- Electronic Circuitry impairment – non-detectable damage caused by an electronic circuitry impairment

Clarifications

- "Cyber Event" is now defined and clarifies that an ensuing "equipment breakdown" or "electronic circuitry impairment" will be considered a "home system breakdown coverage"
- Vandalism continues to be an exclusion and is now defined as a malicious act that causes damage or destruction. However, this exclusion does not apply to a "Cyber Event," which allows coverage for an ensuing "equipment breakdown or "electronic circuitry impairment"
- The definition of what is not an "equipment breakdown" has been modified to include pinhole leaks
- "One home system breakdown" means: If an initial "home system breakdown" causes other "home system breakdowns." all will be considered "one home system breakdown." All "home system breakdowns" that are the result of the same event will be considered "one home system breakdown"

Limits

- The limit of liability under this endorsement is now dependent upon the age of the "covered home equipment." The most we will pay for a loss, damage or expense arising from any "one home system breakdown" to "covered home equipment" for equipment (a) less than 15 years old is $100,000 or (b) 15 years or older is $1,500 per damaged unit of "covered home equipment"
- However, if the damaged "covered home equipment" was newly installed and first used within 15 years of the "home system breakdown," the limit of $100,000 will apply
- The maximum limit per occurrence under this endorsement is $100,000 regardless of whether a single unit or multiple units of "covered home equipment" are damaged by "one home system breakdown"
- Deductible: We will only pay the part of the total payable loss that exceeds $500, subject to the applicable limit. No other deductible applies to this coverage

Examples of Coverage

- A 15-year-old electrical panel suffers a covered home system breakdown, the limit that applies is $1,500 per damaged unit inclusive of all coverages**.** If additional covered home equipment also suffers a covered home system breakdown as part of this "one home system breakdown," the limit applying to any additional covered home equipment that is 15 years or older would be $1,500 limit *per damaged unit of equipment* ; if the damaged covered home equipment is less than 15 years old, the full $100,000 limit is available. The maximum limit per occurrence under this endorsement is $100,000 regardless of whether a single unit or multiple units of "covered home equipment" are damaged by "one home system breakdown."
- A 5-year-old electrical panel suffers a covered home system breakdown, the limit that applies is $100,000 inclusive of all coverages**.** If additional covered home equipment also suffers a home system breakdown as part of this "one home system breakdown", the limit applying to any additional covered home equipment that is 15 years or older would be $1,500 *per damaged unit of equipment impacted up to the endorsement limit of $100,000*; if the covered equipment is less than 15 years old, the full $100,000 limit is available. The maximum limit per occurrence under this endorsement is $100,000 regardless of whether a single unit or multiple units of "covered home equipment" are damaged by "one home system breakdown."

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SERVICE LINE COVERAGE

Enhancements to Coverage

- The definition of "Covered service line" has been changed to include piping or wiring that runs under (a) a driveway or walkway or (b) a structure, such as a deck, not immediately above a foundation and raised sufficiently from the ground that such piping or wiring can be accessed without damaging or dismantling any structure.

Clarifications

- "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."

Limits and Deductibles

- The limit of liability under this endorsement is dependent upon the age of the dwelling located on the "residence premises" shown in the Declarations. The most we will pay for loss, damage or expense arising from any "one service line failure" is (a) $10,000 for all damaged "covered service lines" if your dwelling is less than 50 years old or (b) $2,500 per damaged "covered service line" if your dwelling is 50 years old or older.
- However, if the damaged "covered service line" was newly installed or replaced in its entirety within 50 years of the "service line failure," the limit of $10,000 will apply.
- The maximum limit per occurrence under this endorsement is $10,000 regardless of whether a single "covered service line" or multiple "covered service lines" are damaged by "one service line failure."
- Deductible: We will pay only the part of the total payable loss that exceeds $500, subject to the applicable limit. No other deductible applies to this coverage.

Examples of Coverage

- A 50-year-old home suffers a covered "service line failure." The "covered service line" is original to the home. The maximum limit, inclusive of all coverages, is $2,500.
- A 50-year-old home suffers a covered "service line failure." The "covered service line" was replaced in its entirety 10 years prior to the failure. The maximum limit, inclusive of all coverages, is $10,000.
- A 40-year-old home suffers a covered "service line failure." The "covered service line" is original to the home. The maximum limit, inclusive of all coverages, is $10,000.

HOW CHANGES WILL BE IMPLEMENTED

New Business – Beginning 1/1/2022, new business written after this date will have the above-described home systems protection and service line coverage **revised** endorsements. These revisions apply to our **HOMEOWNER** and **DWELLING FIRE** lines of business only. Pricing remains the same, $47 for the homeowner endorsement and $41 for the dwelling fire endorsement. **Existing business** endorsed with Home Systems Protection and Service Line Coverage will **NOT** experience any change in coverage.

In our on-line quoting system, the **homeowner** endorsement is revised to the following:

Home Systems Protection and Service Line Coverage ($500 Deductible), LM-HO-EBEE-SL v2

In our on-line quoting system, the **dwelling fire** endorsement is revised to the following:

Home Systems Protection (including Service Line) $500 Deductible, LM-HSPSL-v2

As always, thank you for your continued support of Loudoun Mutual.

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