

PERSONAL ARTICLES COVERAGES

AGREEMENT

Subject to all the **terms** that apply **we** provide the coverage described below. In return **you** must pay the required premium. This coverage is also subject to the **declarations** and policy **terms** that relate to cancellation, changes made to the policy, examinations of books and records, inspections and surveys and assignment or transfer of rights and duties.

Endorsements and schedules may also apply. These are identified on the **declarations**.

DEFINITIONS

Certain words have special meaning. These words are shown in "**bold type**."

1. The words **you** and **your** mean the person or persons named as the insured on the **declarations**.
2. The words **we**, **us** and **our** mean the company providing this coverage.
3. **Insured** means **you**. With respect to covered property, the word **insured** also means:
 - a. **your** spouse;
 - b. **your** relatives if residents of **your** household; or
 - c. persons under the age of 21 in **your** care or the care of **your** resident relatives.
4. **Actual cash value** - **Actual cash value** includes a deduction for depreciation, however caused.
5. **Basic territory** - For covered fine arts **basic territory** means the United States, its territories and possessions, Canada and Puerto Rico.

For all other covered property **basic territory** means anywhere in the world.
6. **Declarations** are all pages labeled "Declarations," "Supplemental Declarations," or "Schedules," which pertain to this coverage.
7. **Terms** are all provisions, limitations, exclusions, conditions and definitions that apply.
8. **Cameras** - This means **cameras**, projectors, lenses, screens, films, filters and related equipment.

9. **Coins** - This means a collection of rare or current **coins**, medals, paper money, banknotes, tokens, money or other numismatic property. They include albums, containers, frames, cards and display cabinets used with the collection.
10. **Furs** - This means **furs**, **fur** garments, garments trimmed with **fur** or that consist principally of **fur**.
11. **Golfers' Equipment** - This means golf balls, clubs, bags, golf clothing and other golfing equipment. It includes street clothes kept in a locker while an **insured** is golfing.
12. **Musical Instruments** - This means instruments, sheet music, music stands, cases and related equipment.
13. **Silverware** - This means gold, silver and pewter ware and items which are plated with gold or silver. This does not include pens, pencils, flasks, smoking implements or jewelry that are made of or plated with gold, silver or pewter.
14. **Stamps** - This means a collection of postage **stamps**, covers, locals, reprints, essays, proofs and other philatelic property. They include books, albums, pages and mountings used with the collection.

PROPERTY COVERED

Scheduled Items - **We** cover only the described items within the classes of property for which a total scheduled limit of coverage is shown on the **declarations**. Each item that is covered must be shown on the appropriate part of the **declarations**. A limit of coverage must be shown for each item.

Blanket Coverage - **We** cover only those classes of property for which a blanket limit of coverage is shown on the **declarations** which are owned by an **insured**. **We** also cover similar property that belongs to others for which an **insured** is liable.

Property is covered only:

1. during the policy period shown on the **declarations**; and
2. while it is in the **basic territory**.

With respect to covered property **we** do not cover:

1. **coins** and **stamps** while they are shipped by mail. **We** do cover these items when they are shipped by registered mail.
2. fine arts while they are on display at fairgrounds or at a national or international exposition.
3. **golfers' equipment** that is held for sale.
4. **musical instruments** or **cameras** that are used professionally.

ADDITIONAL COVERAGES

Newly Acquired Property

1. **We** cover additional fine arts that **you** acquire during the policy period. This property must be reported to **us** within 90 days from the date **you** acquire it. Coverage will cease for additional fine arts not reported to **us** within this 90 day period. Premium will be charged from the date **you** acquire this property. **We** cover these items only for their **actual cash value** until they are reported to **us**. The most that **we** will pay, in the event of a loss, for all such items is 25 percent of the total of the limits of coverage as shown on the **declarations** for all scheduled fine arts.
2. **We** cover additional **cameras, furs, jewelry and musical instruments** that **you** acquire during the policy period. This property must be reported to **us** within 30 days from the date **you** acquire it. Coverage will cease for additional property not reported to **us** within this 30 day period. Premium will be charged from the date **you** acquire this property. **We** cover these items for their **actual cash value**. The most that **we** will pay in the event of a loss, for all such items will be the smaller of the following:
 - a) 25 percent of the limit of coverage shown on the **declarations** for the class of property to which the item belongs; or
 - b) \$10,000 for each class.

PERILS COVERED

1. Except for golf balls, **we** cover risks of direct physical loss to covered property unless the loss is caused by a peril that is excluded. The loss must be due to an external cause.
2. **We** cover direct physical loss to golf balls caused by fire or burglary.

PERILS EXCLUDED

We do not pay for a loss if one or more of the perils excluded in parts 1 and 2 below apply to the loss. Such losses are excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as or after the excluded peril.

The following exclusions apply to all covered property.

1. **We** do not cover loss caused by or that results from:
 - a. war. This means:
 - 1) declared war, undeclared war, civil war, insurrection, rebellion or revolution;
 - 2) a warlike act by a military force or by military personnel; or
 - 3) the destruction, seizure or use of the property for a military purpose; or
 - 4) the discharge of a nuclear weapon even if it is accidental.
 - b. civil authority. This means:
 - 1) seizure or destruction under quarantine or customs regulations;
 - 2) risks of contraband or illegal transportation or trade; or
 - 3) confiscation or destruction by order of a government or public authority. **We** do pay for loss which results from acts of a civil authority to prevent the spread of fire.
 - c. nuclear hazard. This means nuclear reaction, nuclear radiation or radioactive contamination whether controlled or uncontrolled. **We** do not pay for a loss that results from these perils even if it is caused by, contributed to or aggravated by a peril covered by this policy. A loss caused by these perils will not be considered to be a loss caused by fire, explosion or smoke. If fire is covered by this policy, **we** do cover the loss caused by a fire that results from the nuclear hazard.
2. **We** do not pay for a loss that results from and which is confined to the following perils:
 - a. normal wear and tear of covered property.
 - b. gradual deterioration of covered property.
 - c. hidden or latent defect in covered property.
 - d. a quality, fault or weakness in covered property that causes it to damage or destroy itself.
 - e. insect or vermin damage to covered property.

The following additional exclusions apply only to the indicated classes of property.

Bicycles - **We** do not pay for loss caused by or that results from:

1. corrosion or rust.
2. the actual work on or handling of the bicycles or a process to repair, adjust, service or maintain them.

Coins and Stamps - **We** do not pay for loss caused by or that results from:

1. the mysterious disappearance of individual **coins** or **stamps** from a collection. **We** do cover loss caused by this peril if the item is:
 - a. described on the **declarations**; or
 - b. mounted in a volume if the page to which the item is attached is also missing.
2. theft from an unattended vehicle. **We** do cover theft from an unattended vehicle while the **coins** or **stamps** are being shipped as registered mail.
3. dampness.
4. extremes of temperature.
5. fading, creasing, scratching, denting, tearing or thinning.
6. transfer of colors.
7. the handling of or working on the **coins** or **stamps**.

Fine Arts - **We** do not pay for loss or damage caused by or that results from:

1. a process to repair, retouch, restore, adjust, service or maintain the covered fine arts. If a fire or explosion results, **we** do cover the loss caused by the fire or explosion.
2. a peril that is excluded.

WHAT MUST BE DONE IN CASE OF LOSS

Protect the Property - **You** must take all reasonable steps to protect or recover covered property after a loss has occurred. The expenses in doing so will be shared by **you** and by **us** according to the interests of each. **You** must keep a record of these expenses.

Notice - **You** must promptly notify **us** or **our** agent in the event of a loss. If requested the notice must be in writing. **You** must promptly notify the police if the loss may have been the result of a violation of the law.

Proof of Loss - **You** must send **us**, within 90 days after **our** request, a signed, sworn proof of loss which contains the information **we** request. **We** will send **you** the necessary forms.

Examination Under Oath - As often as **we** may reasonably request, **you** must:

1. agree to examinations under oath.
2. help **us** to obtain examinations under oath by others to the extent that it is possible.

If more than one person is examined, **we** have the right to examine and receive statements from each while they are not in the presence of others.

Records - **You** must provide **us** with all records that relate to value, loss and cost, and permit copies and abstracts to be made from them.

Damaged Property - **You** must permit **us** to inspect the damaged property before it is disposed of or repaired.

Volunteer Payments - **You** must not make a voluntary payment, pay or offer any rewards, or incur other expenses except at **your** own expense.

Cooperation - **You** must cooperate with **us** in performing all acts required by this coverage.

HOW MUCH WE PAY

Valuation - Valuation is based on the following:

1. Scheduled Fine Arts: Each item will be valued at the limit of coverage that is shown for that item.
2. All other property: Valuation is based on the **actual cash value** of the property at the time of loss.

The Amount We Pay - The smallest of the amounts shown below is the most **we** will pay for a loss:

1. that part of the loss over the deductible shown on the **declarations**.
2. the amount determined under "Valuation."
3. the cost to repair, replace or rebuild the property with material of like kind and quality.
4. the amount of **your** insurable interest in the property.

5. the applicable limits of coverage shown on the **declarations**.

CONDITIONS THAT AFFECT LOSS PAYMENT

Deductible - The deductible amounts shown on the **declarations** for each class of property will apply to each loss.

Coinsurance - This clause applies only to the following classes of property when they are covered on a blanket basis: cycling equipment, **coins**, fine arts, **furs**, jewelry, **musical instruments**, **cameras** and **stamps**. The clause applies separately to each class.

You must maintain a minimum limit of coverage for all covered property in order to collect the full amount of a loss. This minimum limit is the full **actual cash value** of all covered property at the time of loss multiplied by the coinsurance percentage shown on the **declarations**. If, at the time of loss, the limit shown on the **declarations**, is less than the minimum limit required, **we** will pay only a part of the loss. The part of the loss that **we** will pay will be determined by dividing the limit shown by the minimum limit required. This percentage will be applied to the adjusted loss to determine the amount that **we** will pay.

Loss to Pairs or Sets - If there is a loss to an item that is part of a pair or set, at **your** option **we** will pay the full **actual cash value** up to the limit of coverage shown on the **declarations** for the pair or set. **You** will give **us** the remainder of the pair or set. If **you** do not choose this option, **we** will pay only for a reasonable part of the **actual cash value** of the pair or set.

Loss to Parts - If there is a loss to a part of an item that consists of several parts when it is complete, **we** will pay only for the value of the lost or damaged part or the cost to repair or replace it.

Other Insurance - If a loss covered by this coverage is also covered by other insurance, **we** will pay only a part of the loss. **We** will pay that part of the loss that the limit of this coverage bears to the total amount of insurance that applies to the loss.

Two or More Coverages - If more than one coverage applies to a loss **we** will pay no more than the actual amount of the loss.

Restoration of Limits - A loss **we** pay under this coverage does not reduce the applicable limit of coverage unless it is a total loss to a scheduled item. In the event of a total loss to a scheduled item **we** will refund the unearned premium on that item.

Abandonment - **You** may not abandon the property to **us** without **our** written consent.

LOSS PAYMENT

Our Options - **We** may:

1. pay the loss in money; or
2. repair, replace or rebuild the property. **We** must give **you** notice of **our** intent to do so within 30 days after **we** have received a satisfactory proof of loss.
3. take all or part of the damaged property at the agreed or appraised value. Property paid for or replaced by **us** becomes **ours**.

When We Pay - **We** will pay or make good a covered loss within 30 days after:

1. a satisfactory proof of loss is received and the amount of the loss has been agreed to in writing;
2. an appraisal or arbitration award has been filed; or
3. a final judgment has been entered.

We will not pay for or make good that part of a loss which has been paid or made good by others.

Property of Others - If the loss involves property that belongs to others while it is in **your** care, custody or control, **we** have the right to:

1. settle the loss with **you**.
2. settle the loss with the owner of the property. Payment to the owner of the property will satisfy **our** obligation to **you** for loss to this property.
3. provide for a defense if legal proceedings arising out of a loss to covered property are brought against an **insured**. The expense of this defense, if **we** provide it, will be at **our** cost. It will not reduce the applicable limits of coverage provided.

CLAIMS AGAINST OTHERS

Subrogation - If **we** pay for a loss, **we** may require **you** to assign to **us** **your** right of recovery against others. **You** must do all that is necessary to secure **our** rights. **We** will not pay for a loss if **you** impair this right to recover. **You** may waive **your** right to recover from others in writing before a loss occurs.

Recoveries - **You** must inform **us** or **we** must inform **you**

if either receives a recovery for a loss **we** have paid. A recovery or salvage on a loss **we** have paid will be entirely to **our** benefit until the sum **we** have paid has been made good.

DISAGREEMENTS

Appraisal - If **you** and **we** do not agree as to the value of the property or the amount of the loss, **you** and **we** will each select a competent appraiser within 20 days after receiving a written request from the other. The two appraisers will select an umpire. If they do not agree on an umpire, the two appraisers will ask a judge of a court of record of the state in which the appraisal is pending to make the selection. The written agreement of any two of these three will be binding and set the amount of the loss. **You** will pay the expense of **your** appraiser and **we** will pay for **ours**. **You** and **we** will share equally the expense of the umpire and the other expenses of the appraisal.

Suit Against Us - No one may bring a legal action against **us** under this coverage unless:

1. all of the **terms** of this coverage have been complied with; and
2. the suit has been brought within two years after **you** first have knowledge of the loss.

OTHER COVERAGE CONDITIONS

Conformity to Statute - When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.

Misrepresentation, Concealment or Fraud - This coverage is void if before or after a loss:

1. an **insured** has concealed or misrepresented:
 - a. a material fact or circumstance that relates to this coverage or the subject thereof; or
 - b. an **insured's** interest therein.
2. there has been fraud or false swearing by an **insured** with regard to a matter that relates to this coverage or the subject thereof.

Liberalization - If a revision of a form or endorsement which would broaden coverage without an additional premium is adopted during the policy period, or within six months before this coverage is effective, the broadened coverage will apply.

Benefit to Others - This coverage shall not directly or

indirectly benefit others who have custody of covered property.

Estates - This provision does not apply if the **insured** is an organization.

On **your** death, **we** will cover the following as an **insured**:

1. the person who has custody of **your** property until a legal representative is qualified and appointed; or
2. **your** legal representative.

This person or organization is an **insured** only with respect to property covered by this coverage.

This coverage does not extend past the policy period shown on the **declarations**.

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