

PERSONAL ARTICLES COVERAGE

AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Personal Articles Coverage. This coverage is also subject to the "declarations". Endorsements and schedules may also apply. They are identified on the "declarations".

Refer to Definitions for words and phrases that have special meaning. These words and phrases are shown in quotation marks.

DEFINITIONS

1. The words "you" and "your" mean the person or persons named as the insured on the "declarations". This includes "your" spouse if a resident of "your" household.
2. The words "we", "us", and "our" mean the company providing this coverage.
3. "Declarations" means all pages labeled Declarations, Supplemental Declarations, or Schedules that pertain to this coverage.
4. "Flood" means flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, all whether driven by wind or not.
5. "Insured" means:
 - a. "you";
 - b. relatives of "you" if residents of "your" household; or

- c. persons other than "your" relatives under the age of 21 who reside in "your" household and are in "your" care or the care of "your" resident relatives.
6. "Limit" means the amount of insurance.
7. "Residence" means "your" residence that is described on the "declarations".
8. "Terms" means all provisions, limitations, exclusions, conditions, "declarations", and definitions that apply.
9. "Vermin" means an animal of a type that is prone to enter or burrow into or under a structure to seek food or shelter, including but not limited to:
 - a. armadillos;
 - b. bats;
 - c. opossums;
 - d. porcupines;
 - e. raccoons;
 - f. skunks; and
 - g. snakes.

PROPERTY COVERED

1. **Scheduled Personal Articles --**
 - a. **Coverage --** "We" cover direct physical loss caused by a covered peril to scheduled personal articles.

- b. **Coverage Limitations** -- "We" only cover scheduled personal articles that are part of a class of property that is described under Described Classes Of Personal Articles when an amount of insurance is shown for that class under the Scheduled Personal Articles on the "declarations".
 - c. **Limits** -- The most "we" pay for loss to a scheduled personal article is the "limit" for that scheduled item shown on a Personal Articles Schedule.
2. **Unscheduled Personal Articles** --
- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to unscheduled personal articles.
 - b. **Coverage Limitations** -- "We" only cover unscheduled personal articles that are part of a class of property that is described under Described Classes Of Personal Articles when an amount of insurance is shown for that class under Unscheduled Personal Articles on the "declarations".
 - c. **Limits** -- The most "we" pay for loss to unscheduled personal articles is the "limit" shown for a class of unscheduled personal articles in the "declarations" subject to the following payment limitations:
 - 1) **Payment Limitation - Unscheduled Coin Collections** -- Unless otherwise indicated on the "declarations", when coverage is provided on an unscheduled property basis for coin collections, the amount of insurance is limited as follows:

The most "we" pay for any one unscheduled coin is \$250 or any one unscheduled coin collection is \$1,000.
 - 2) **Payment Limitation - Unscheduled Stamps** -- Unless otherwise indicated on the "declarations", when coverage is provided on an unscheduled property basis for stamps, the amount of insurance is limited as follows:

The most "we" pay for any one unscheduled item is \$250.
3. **Fine Arts Location** -- As regards fine arts scheduled or unscheduled, "you" agree that the property is located at the address(es) indicated on the "declarations" for fine arts coverage, and, if the property is moved, "you" will have insured fine arts packed by capable packers.
 4. **Described Classes Of Personal Articles** -- The following are classes of property that can be covered under this policy:
 - a. **Bicycles** -- This class consists of the following property owned by an "insured":
 - 1) bicycles;
 - 2) maintenance/repair tools and air pumps; and
 - 3) riding helmets and related clothes and shoes.
 - b. **Cameras** -- This class consists of, but is not limited to, the following property owned by an "insured":
 - 1) film and digital cameras, camcorders, and motion picture cameras;
 - 2) projectors;
 - 3) portable sound equipment related to cameras;
 - 4) binoculars, microscopes, and telescopes used with cameras;
 - 5) photo quality printers used with digital cameras;
 - 6) compact discs, digital video discs, memory cards and sticks, video tape, and film used with cameras and projection equipment; and
 - 7) photographic accessories and equipment.

- c. **Coin Collections** -- This class consists of the following rare or current coin collections owned by or in the custody or control of an "insured":
- 1) coins or paper money;
 - 2) banknotes;
 - 3) medals or tokens;
 - 4) other numismatic property; and
 - 5) coin storage or display containers such as albums, frames, cards, and display cabinets.
- d. **Fine Arts** -- This class consists of the following property when part of a private collection owned by an "insured": paintings; etchings; pictures; tapestries; rare or art glass; porcelains; art glass windows; statuary; sculptures; valuable rugs; antique furniture and silver, manuscripts and rare books; and similar property of historical value, rarity, or artistic merit.
- e. **Furs** -- This class consists of fur pelts, fur garments and fur trimmed garments owned by an "insured".
- f. **Golf Equipment** -- This class consists of the following property owned by an "insured":
- 1) golf clubs and golf bags;
 - 2) golf clothing and golf shoes;
 - 3) street clothing while stored in a locker while an "insured" is playing golf;
 - 4) golf balls, however coverage is limited as described below; and
 - 5) other golf accessories and equipment.
- g. **Golf Ball Limitation** -- As respects golf balls, "we" cover risks of direct physical loss caused only by the following perils:
- 1) fire: or
 - 2) burglary but only if signs of forced entry into a building, locker room, or locker are visible.
- h. **Jewelry** -- This class consists of the following property owned by an "insured":
- 1) necklaces, bracelets, earrings, rings, watches and similar articles of adornment; and
 - 2) jewelry boxes used to store jewelry.
- i. **Musical Instruments** -- This class consists of the following property owned by an "insured":
- 1) musical instruments; and
 - 2) sheet music, music stands, cases, and other accessories.
- j. **Silverware** -- This class consists of the following property owned by an "insured":
- 1) silverware and silver-plated ware;
 - 2) gold ware and gold-plated ware;
 - 3) platinum ware and platinum-plated ware;
 - 4) pewter ware; and
 - 5) if made of or containing silver, gold, platinum, or pewter;
 - a) flatware and other eating and serving utensils; and
 - b) hollowware, tea sets, trays, and trophies.
- k. **Stamps** -- This class consists of the following property owned by or in the custody or control of an "insured":
- 1) postage stamps;
 - 2) other philatelic property including, but not limited to, reprints, proofs, first day covers, and stamped envelopes with postmarks; and
 - 3) books, albums, pages, and mountings used to store or display postage stamps and other philatelic property.

PROPERTY NOT COVERED

1. **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.
2. **Cameras - Professional Use** -- Except as provided elsewhere in this policy, "we" do not cover cameras while being used professionally.
3. **Musical Instruments - Professional Use** -- Except as provided elsewhere in this policy, "we" do not cover musical instruments while being used professionally. Professional use of musical instruments includes, but is not limited to, use during a performance for compensation or while teaching for compensation.
4. **Un-mounted Gemstones, Precious Metals And Silverware** -- Under the jewelry class, "we" do not cover:
 - a. un-mounted gemstones;
 - b. gold, silver, bullion, and other precious metals; or
 - c. silverware as described under Described Classes Of Personal Articles - Silverware.
5. **Writing Instruments, Smoking Implements, Flasks, And Jewelry Under Silverware** -- Under the silverware class, "we" do not cover:
 - a. writing instruments such as pens and pencils;
 - b. smoking implements and accessories such as lighters, pipes, and cigarette holders;
 - c. flasks; or
- d. jewelry as described under Described Classes Of Personal Articles - Jewelry.
6. **Coin Operated Cameras, Aerial Surveying And Commercial Television Cameras, And Camera Dealers And Manufacturers** -- "We" do not cover:
 - a. coin or token operated cameras including related accessories and equipment;
 - b. cameras used for aerial surveying or commercial television including related accessories and equipment; or
 - c. cameras including related accessories and equipment for sale or lease by camera dealers or camera manufacturers.
7. **Coin Collections And Stamps In Transit** -- "We" do not cover rare or current coins or postage stamps while in transit via:
 - a) mail but "we" do cover postage stamps and rare or current coins if they are shipped via registered mail; or
 - b) a common carrier or other transportation company.
8. **Coins And Stamps Not Part Of A Collection** -- "We" do not cover rare or current coins or postage stamps that are not actually part of a coin or stamp collection.
9. **Motorized Conveyance** -- "We" do not cover motorized bicycles, scooters, skateboards, mopeds, or any other type of motorized conveyance.
10. **Bicycle Tires Or Tubes** -- "We" do not cover bicycle tires or tubes unless another part of the bicycle is first damaged by a covered peril.
11. **Fine Arts** -- "We" do not cover articles of fine arts:
 - a. insured by and in the custody of galleries, dealers, auction houses, or museums open to the public;

- b. on display at a fairgrounds or a national or international exhibition unless such location is specifically covered under this policy;
- c. insured for and owned by the account of Federal, State, County or Municipal authorities.

COVERAGE EXTENSIONS

The "limit" provided under a Coverage Extension cannot be combined or added to the "limit" for any other Coverage Extension including any optional coverage or coverage that is added to this policy by endorsement.

1. Newly Acquired Property (Fine Arts) --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to fine arts that "you" acquire during the policy period.
- b. **Coverage Limitation** -- "We" only cover newly acquired fine arts if a "limit" is shown on the "declarations" for fine arts under Scheduled Personal Articles.
- c. **Time Limitation** -- "We" extend coverage to newly acquired fine arts for up to 90 days.

This coverage extension will end when any of the following first occur:

- 1) this policy expires;
 - 2) 90 days after "you" obtain the newly acquired fine arts; or
 - 3) "you" report the newly acquired fine arts to "us".
- d. **Additional Premium** -- "You" must pay any additional premium due from the date "you" obtain the newly acquired fine arts.

e. Limit --

- 1) **Newly Acquired Fine Arts Limit** -- The most "we" pay in any one occurrence for newly acquired property under this class is 25% of the total amount of insurance for fine arts as shown on the "declarations" under Scheduled Personal Articles.
- 2) **Does Not Increase Scheduled Fine Arts Limit** -- The "limit" for this coverage extension does not increase the "limit" for fine arts that is shown on the "declarations" under Scheduled Personal Articles.

2. Newly Acquired Property (Cameras, Musical Instruments, Jewelry, And Furs) --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to personal articles "you" acquire during the policy period for one or more of the following classes: cameras, musical instruments, jewelry or furs.
- b. **Coverage Limitation** -- "We" only cover newly acquired property for one or more of these classes if a "limit" is shown for the class on the "declarations" under Scheduled Personal Articles.
- c. **Time Limitation** -- When coverage for newly acquired property applies, "we" extend coverage for up to 30 days.

This coverage extension will end when any of the following first occur:

- 1) this policy expires;
 - 2) 30 days after "you" obtain the newly acquired property; or
 - 3) "you" report the newly acquired property to "us".
- d. **Additional Premium** -- "You" must pay any additional premium due from the date "you" obtain the newly acquired property for these classes.

e. **Limit --**

- 1) **Newly Acquired Property Limit --**
The most "we" pay in any one occurrence for newly acquired property under this Coverage Extension for each applicable class is the lesser of:
 - a) 25% of the total amount of insurance shown on the "declarations" under Scheduled Personal Articles for that class;
or
 - b) \$10,000.
- 2) **Does Not Increase Scheduled Personal Articles Limits --** The "limit" for this coverage extension does not increase the "limit" for cameras, musical instruments, jewelry or furs that is shown on the "declarations" under Scheduled Personal Articles.

OPTIONAL COVERAGES AND PREMIUM CREDITS

An optional coverage or credit applies when indicated on the "declarations".

1. **Safe/Vault Credit (Coin Collections And Stamps) --**

- a. **Agreement --** A credit can be applied when "you" schedule covered property and agree to keep at least 75% of the total value of all covered property in a locked fireproof safe or vault at "your" "residence" or in a safe or vault of a bank or safe deposit company when it is not being used or exhibited.
- b. **At A Bank Or Safe Deposit Company --** When the safe or vault is at a bank or safe deposit company, also show the name and address of the bank or safe deposit company on the "declarations".

2. **Vault Restriction And Credit (Jewelry) --**

- a. **Agreement --** "You" agree to keep covered jewelry in a vault that is on the premises of a bank or security institution. The jewelry that "you" agree to keep in a vault is identified on the "declarations". The premises of the bank or security institution is described on the "declarations".
- b. **We Do Not Cover --** "We" do not cover these items while they are out of the safe or vault unless "you":
 - 1) notify "us" in advance when the items are to be removed and provide "us" with the dates that these items will be out of the safe or vault; and
 - 2) pay the additional premium for the period of time described.

3. **Named Perils Coverage Limitation (Musical Instruments) --** Only as regards musical instruments, the Perils Covered provision is deleted and replaced by the following:

"We" cover direct physical loss to covered musical instruments caused by:

- a. fire;
- b. lightning;
- c. windstorm including, but not limited to, tornado and hurricane;
- d. "flood" including, but not limited to, surface water, waves, tidal water, or the overflow of a body of water;
- e. theft; or
- f. collision or overturn of a transporting vehicle.

4. **Breakage Coverage (Fine Arts) --**

- a. **Coverage** -- Only as regards fine arts, "we" cover direct physical loss to art glass windows, glassware, statuary, marbles, porcelains and bric-a-brac caused by breakage.

Under Perils Excluded, the Fine Arts exclusion for breakage, 5.a. is not applicable.

b. **Coverage Limitation --**

- 1) **Scheduled Fine Arts** -- "We" only cover a scheduled item for breakage if breakage coverage is indicated as being applicable to the scheduled item on the Personal Articles Schedule - Fine Arts.
- 2) **Unscheduled Fine Arts** -- "We" only cover unscheduled fine arts for breakage if breakage coverage is indicated as being applicable to unscheduled fine arts on the "declarations".

5. **Additional Person Insured For Ring (Jewelry) --**

- a. **Agreement** -- "We" agree that the person named on the "declarations" for this option has an insurable interest in the described engagement, wedding, or guard ring.
- b. **Not An Insured** -- "You" agree that the additional person named under this option is not an "insured" under this policy.

PERILS COVERED

All Other Covered Property -- "We" cover risks of direct physical loss unless the loss is limited or caused by a peril that is excluded.

PERILS EXCLUDED

1. "We" do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is 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 causes or events.

These exclusions apply whether or not an extensive area suffers damage from or is affected by the excluded cause or effect.

- a. **Civil Authority** -- "We" do not pay for loss caused by order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

"We" do cover loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

- b. **Intentional Acts** -- "We" do not pay any "insured" for loss that results from any act committed:

- 1) by an "insured", alone or in collusion with another; or
- 2) at the direction of an "insured";

with the intent to cause a loss.

This exclusion applies even with respect to an "insured" who was not involved in the commission or direction of the act that caused the loss.

c. **Nuclear Hazard**

- 1) "We" do not pay for loss caused by nuclear reaction, radiation, or radioactive contamination:

- a) whether controlled or uncontrolled; or

- b) however caused;
or any consequence of such
reaction, radiation, or contamination.
- 2) Loss caused by nuclear reaction,
radiation, or radioactive
contamination is not considered loss
caused by:
- a) fire;
 - b) explosion; or
 - c) smoke;
- even if this policy provides coverage
for loss caused by one or more of
these perils.
- 3) Direct loss by fire resulting from
nuclear reaction, radiation, or
radioactive contamination is covered.
- d. **War And Military Action** -- "We" do not
pay for loss caused by:
- 1) war, including undeclared or civil
war;
 - 2) warlike action by a military force,
including action in hindering or
defending against an actual or
expected attack, by any government,
sovereign, or other authority using
military personnel or other agents; or
 - 3) insurrection, rebellion, revolution,
usurped power, or action taken by
governmental authority in hindering
or defending against any of these.

With respect to any action that comes
within the "terms" of this exclusion and
involves nuclear reaction, radiation, or
radioactive contamination, this War And
Military Action exclusion supersedes the
Nuclear Hazard exclusion.

Discharge of a nuclear weapon is
deemed a warlike action even if it is
accidental.

2. "We" do not pay for loss or damage that is
caused by or results from one or more of the
following:
- a. **Wear And Tear, Deterioration, Or
Inherent Vice** -- "We" do not pay for loss
caused by wear and tear, gradual
deterioration, inherent vice, or any
quality, fault, or weakness in covered
property that causes it to damage or
destroy itself.
 - b. **Neglect** -- "We" do not pay for loss
caused by the neglect of an "insured" to
use all reasonable means to save and
preserve covered property at and after
the time of a loss.
 - c. **Birds, Vermin, Rodents, Insects, Or
Animals** -- "We" do not pay for loss
caused by:
 - 1) birds;
 - 2) "vermin";
 - 3) rodents;
 - 4) insects; or
 - 5) any animal owned or kept by an
"insured".
3. **Bicycles** -- The following additional
exclusions apply only as respects coverage
provided under this policy for covered
property that is included within the Bicycles
class.

"We" do not pay for loss or damage caused
by or resulting from one or more of the
following excluded causes or events:

- a. **Mechanical Breakdown** -- "We" do not
pay for loss caused by mechanical
breakdown.
- b. **Work Or Handling** -- "We" do not pay for
loss caused by work on or handling of
the bicycle including, but not limited to,
repairing, adjusting, servicing, or
maintenance.

But if work or handling results in a fire or
explosion, "we" do cover the loss or
damage caused by that fire or explosion.

4. **Coin Or Stamp Collections** -- The following additional exclusions apply only as respects coverage provided under this policy for covered property that is included within the Coin Collections or Stamps classes.

"We" do not pay for loss or damage caused by or resulting from one or more of the following excluded causes or events:

- a. **Dampness Or Extremes Of Temperature** -- "We" do not pay for loss caused by dampness or extremes of temperature.
- b. **Fading, Creasing, Scratching, Denting, Tearing, Or Thinning** -- "We" do not pay for loss caused by fading, creasing, scratching, denting, tearing, or thinning.
- c. **Transfer Of Color, Inherent Defect, Or Depreciation** -- "We" do not pay for loss caused by transfer of color, inherent defect, or depreciation.
- d. **Disappearance** -- "We" do not pay for loss caused by disappearance of individual coins or stamps from a collection.

However, "we" do cover disappearance of individual coins or stamps from a collection if the coin or stamp is:

- 1) described on the "declarations" with a specific "limit"; or
- 2) mounted in a volume and the page it is attached to also disappears.

- e. **Work Or Handling** -- "We" do not pay for loss caused by work on or handling of coins or stamps.

5. **Fine Arts** -- The following additional exclusions apply only as respects coverage provided under this policy for covered property that is included within the Fine Arts class.

"We" do not pay for loss or damage caused by or resulting from one or more of the following excluded causes or events:

- a. **Breakage** -- Except as provided under Breakage Coverage, "we" do not pay for loss caused by breakage of art glass windows, glassware, statuary, marble, bric-a-brac, porcelains, and similar fragile articles.

However, this exclusion does not apply to breakage caused by:

- 1) fire or lightning;
- 2) windstorm, "flood", or earthquake;
- 3) explosion, aircraft, collision or overturn or derailment of transporting vehicle; or
- 4) vandalism, theft, or attempted theft.

- b. **Retouching, Restoring, Or Repairing** -- "We" do not pay for loss caused by or resulting from a retouching, restoring, or repairing process.

6. **Musical Instruments** -- The following additional exclusions apply only as respects coverage provided under this policy for covered property described as organs that are not designed to be mobile under the Musical Instruments class.

"We" do not pay for loss or damage caused by or resulting from one or more of the following excluded causes or events:

- a. **Mechanical Breakdown** -- "We" do not pay for loss caused by mechanical breakdown or failure.

But if mechanical breakdown or failure results in a fire or explosion, "we" do cover the loss or damage caused by that fire or explosion.

- b. **Electrical Breakdown** -- "We" do not pay for loss caused by electrical breakdown or failure.

But if electrical breakdown or failure results in a fire or explosion, "we" do cover the loss or damage caused by that fire or explosion.

- c. **Repairing, Adjusting, Or Servicing** -- "We" do not pay for loss caused by repairing, adjusting, servicing, or other maintenance operation.

But if repairing, adjusting, servicing, or other maintenance operation results in a fire or explosion, "we" do cover the loss or damage caused by that fire or explosion.

WHAT MUST BE DONE IN CASE OF LOSS

1. **Notice** -- In case of a loss, "you" must:
 - a. give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice); and
 - b. give notice to the police in the case of loss by theft.
 2. **You Must Protect Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss.
 - a. **Payment Of Reasonable Costs** -- "We" do pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. "Our" payment of reasonable costs does not increase the "limit".
 3. **Proof Of Loss** -- "You" must send "us", within 90 days after "our" request, a signed, sworn proof of loss. This must include the following information:
 - a. the time, place, and circumstances of the loss;
 - b. other policies of insurance that may cover the loss;
 - c. "your" interest and the interests of all others in the property involved, including all liens;
 - d. changes in title of the covered property during the policy period; and
 - e. estimates, specifications, inventories, and other reasonable information that "we" may require to settle the loss.
 4. **Examination** -- As often as "we" reasonably request, all "insureds" must:
 - a. submit to examination under oath in matters that relate to the loss or claim; and
 - b. sign such statement made under oath.
 5. **Records** -- "You" must produce records and documents relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.
 6. **Damaged Property** -- "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.
- b. **We Do Not Pay** -- "We" do not pay for such repairs or emergency measures performed on property that has not been damaged by a peril insured against.

7. **Volunteer Payments** -- "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.
 8. **Abandonment** -- "You" may not abandon the property to "us" without "our" written consent.
 9. **Cooperation** -- "You" must cooperate with "us" in performing all acts required by this policy.
- 2) multiply the adjusted loss by the result determined in 2.b.1) above to determine the amount that "we" pay subject to any payment limitations shown on the "declarations".
3. **Agreed Value** -- When agreed value is indicated on the "declarations" for a scheduled personal article, the "limit" shown for that scheduled personal article is agreed to be the value of the article. At "our" request, "you" will surrender the damaged article to "us" if the article is still in "your" possession.

VALUATION

1. **Scheduled Fine Arts** -- When fine art is scheduled, the "limit" shown for a scheduled article of fine art on the "declarations" is agreed to be its value.
2. **Actual Cash Value** --
 - a. **Scheduled Personal Articles** -- Unless otherwise indicated on the schedule, the value of scheduled personal articles is based on the actual cash value at the time of loss (with a deduction for depreciation).
 - b. **Unscheduled Personal Articles** -- As respects unscheduled personal articles, the value is based on the actual cash value at the time of loss (with a deduction for depreciation). If, at the time of loss, the "limit" shown on the "declarations" for a class of unscheduled personal articles is less than the actual cash value of all covered property for that class, "we" pay only a proportion of the loss as follows:
 - 1) The part of the loss that "we" will pay will be determined by dividing the unscheduled "limit" shown for a class by the required actual cash value amount for that class; and

4. **Loss To A Pair, Set, Or Part** --

- a. **When Actual Cash Value Applies** --

- 1) For all classes of personal articles except jewelry, if there is a loss to an item that is part of a pair or set, or consists of several components when complete, "we" have the following options:
 - a) pay only to replace or repair the item to restore the pair or set to its value just before the loss;
 - b) pay the difference in the actual cash value of the pair or set just before the loss and the actual cash value just after the loss; or
 - c) pay for the value of the lost or damaged part of the pair or set.
- 2) Only as regards jewelry, and at the option of the "insured":

If there is a loss to a scheduled item of jewelry that is part of a pair or set, "we" will pay the full amount of the "limit" shown on the "declarations" for that pair, set, or complete item.

As a condition of this coverage, "you" agree to turn over to "us" the remaining parts of the pair or set, or complete item.

- b. **When Agreed Value Applies** -- If there is a loss to an item that is part of a pair or set, or consists of several components when complete, "we" will pay the full "limit" shown for that scheduled pair, set, or complete item.

As a condition of this coverage, "you" agree to turn over to "us" the remaining parts of the pair, set, or complete item.

HOW MUCH WE PAY

1. **Insurable Interest** -- "We" do not cover more than "your" insurable interest in any property.
2. **Deductible** -- "We" pay only that part of "your" loss over the deductible amount indicated on the "declarations" for each class of covered property in any one occurrence.
3. **Loss Settlement Terms** -- Subject to paragraphs 1., 2., 4., 5., and 6. under How Much We Pay, "we" pay the lesser of:
 - a. the amount determined under Valuation at the time of loss for the article or item;
 - b. the cost to repair the article or item to its condition just before the loss;
 - c. the cost to replace the article or item with another article or item of equivalent kind and quality, to the extent practicable; or
 - d. the "limit" of insurance.
4. **Insurance Under More Than One Coverage** -- If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.

5. **Insurance Under More Than One Policy** -- If a loss is covered by this policy and is also covered by other insurance, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" do not pay more than the applicable "limit".
6. **Coverage Under A Service Plan** -- If a loss is covered by this policy and the loss is also covered by a service plan, "we" pay only for the amount of covered loss in excess of the amount due from the service plan. But "we" do not pay more than the applicable "limit".

Service plans include, but are not limited to, service agreements, extended warranty plans, and product protection plans.

LOSS PAYMENT

1. **Loss Payment Options** --
 - a. **Our Options** -- In the event of loss covered by this coverage form, "we" have the following options:
 - 1) pay the value of the lost or damaged article or item at the time of loss;
 - 2) pay the cost of repairing the lost or damaged article or item to its condition just before the loss;
 - 3) pay to replace the lost or damaged article or item with another article or item of equivalent kind and quality, to the extent practicable; or
 - 4) take all or any part of the property at the agreed or appraised value.
 - b. **Notice Of Our Intent To Repair, Or Replace** -- "We" must give "you" notice of "our" intent to repair or replace within 30 days after receipt of a duly executed proof of loss.

2. **Adjustment And Payment Of Loss --**

a. **Your Property** -- "We" adjust all losses with "you". Payment will be made to "you" unless:

- 1) another loss payee is named in the policy; or
- 2) a claim has been paid by others.

b. **Property Of Others** -- Losses to property of others may be adjusted with and paid to:

- 1) "you" on behalf of the owner; or
- 2) the owner.

If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits brought by the owners at "our" expense.

3. **Conditions For Payment Of Loss** -- An insured loss will be payable 60 days after a satisfactory proof of loss is received and the amount of the loss has been established either by:

- a. written agreement with "you";
- b. the filing of an appraisal award with "us"; or
- c. the entry of a final judgment.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three, sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

2. **Assignment** -- This policy may not be assigned without "our" written consent.

3. **Benefit To Others** -- Insurance under this coverage will not directly or indirectly benefit anyone having custody of "your" property.

4. **Change, Modification, Or Waiver Of Policy Terms** --

a. A waiver or change of the "terms" of this policy must be issued by "us" in writing to be valid.

b. "Our" request for an appraisal or examination under oath does not waive policy "terms".

CONDITIONS

1. **Appraisal** -- If "you" and "we" do not agree on the amount of the loss or the value of covered property, either party may demand that these amounts be determined by appraisal.

5. **Conformity With Statute** -- When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.
6. **Death** -- The "terms" in a. and b. below apply if any "insured" dies.
- a. "We" provide coverage for the legal representative of the deceased person:
- 1) but only with respect to property of the deceased person covered by this policy at the time of death; and
 - 2) only to the extent that coverage is provided by this policy.
- b. "Insured" includes:
- 1) an "insured" who is a member of the deceased person's household at the time of the deceased person's death, but only while such person resides at the deceased person's household and
 - 2) persons having proper, temporary custody of the deceased person's covered property, but only with respect to such property and only until such time as a legal representative is appointed and qualified.
7. **Inspections** -- "We" have the right, but are not obligated, to inspect "your" property and operations. This inspection may be made by "us" or may be made on "our" behalf. An inspection or its resulting advice or report does not warrant that "your" property or operations are safe, healthful, or in compliance with laws, rules, or regulations. Inspections or reports are for "our" benefit only.
8. **Liberalization** -- If a revision of a form or endorsement that broadens coverage without an additional premium is adopted during the policy period, or within 60 days before this coverage is effective, the broadened coverage will apply.
- However, this does not apply to revisions adopted as part of an overall program revision that both broadens and restricts coverage, whether "we" bring about the program revision by introducing:
- a. a subsequent edition of "our" policy; or
 - b. an endorsement that amends "our" policy.
9. **Loss Payable Clause** -- With respect to those items of personal property for which a loss payee is shown on the "declarations", the definition of "insured" is extended to include that loss payee, but only with respect to those items of personal property.
- If "we" cancel or do not renew this policy, "we" will so notify, in writing, any loss payees shown on the "declarations".
10. **Misrepresentation, Concealment, Or Fraud** -- This coverage is void as to "you" and any other "insured" if, before or after a loss:
- a. "you" or any other "insured" have willfully concealed or misrepresented:
 - 1) a material fact or circumstance that relates to this insurance or the subject thereof; or
 - 2) "your" interest herein; or
 - b. there has been fraudulent conduct or false swearing by "you" or any other "insured" with regard to a matter that relates to this insurance or the subject thereof.
11. **Policy Period** -- "We" pay for a covered loss that occurs during the policy period.
12. **Recoveries** -- If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:
- a. "you" must notify "us" promptly if "you" recover property or receive payment;

- b. "we" must notify "you" promptly if "we" recover property or receive payment;
 - c. any recovery expenses incurred by either are reimbursed first;
 - d. "you" may keep the recovered property but "you" must refund to "us" the amount of the claim paid, or any lesser amount to which "we" agree; and
 - e. if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be pro rated between "you" and "us" based on "our" respective interest in the loss.
13. **Restoration Of Limits** -- A loss "we" pay under this coverage does not reduce the applicable "limits" 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.
14. **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" do 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.
15. **Suit Against Us** -- No one may bring a legal action against "us" under this coverage unless:
- a. all of the "terms" of this coverage have been complied with; and
 - b. the suit has been brought within two years after "you" first have knowledge of the loss.
- If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.
16. **Territorial Limits** -- "We" cover property while it is anywhere in the world.