

PERSONAL EFFECTS 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 Effects 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. "Insured" means:
 - a. "you";
 - b. relatives of "you" if residents of "your" household; and
 - 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.
5. "Limit" means the amount of insurance.

6. "Student" means a person enrolled in school full time, as defined by the school, and who was a resident of "your" household just before moving out to attend school and is under the age of:
 - a. 25 and "your" relative; or
 - b. 21 and in "your" care or the care of "your" resident relative.
7. "Terms" means all provisions, limitations, exclusions, conditions, "declarations", and definitions used in this policy.
8. "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.
9. "Your residence" means "your" primary residence to which "you" intend to return after traveling.

PROPERTY COVERED

Personal Effects --

1. **Coverage** -- "We" cover direct physical loss caused by a covered peril to personal effects usually carried or worn by a tourist or traveler and that are owned and used by an "insured".

2. **Limit** -- The "limit" for Personal Effects shown on the "declarations" is the most "we" pay in any one occurrence for loss to personal effects subject to the following payment limitation.
3. **Payment Limitation On Jewelry, Watches, And Furs** -- Unless otherwise indicated on the "declarations", the most "we" pay in any one occurrence for:
 - a. jewelry, watches, and similar articles consisting in whole or in part of gold, silver, or platinum; and
 - b. furs and similar articles trimmed with fur;is 10% of the Personal Effects "limit".

The most "we" pay for any one item of jewelry, watches, and furs is \$250.

PROPERTY NOT COVERED

1. **Accounts, Bills, Securities, And Valuable Papers** -- "We" do not cover accounts, bills, negotiable or nonnegotiable securities, deeds, evidences of debt, letters of credit, passports, transportation or other tickets, or other valuable papers.
2. **Aircraft, Watercraft And Trailers** -- "We" do not cover aircraft, watercraft, trailers and campers including equipment, parts, or accessories.
3. **Animals** -- "We" do not cover animals including, but not limited to, fish and birds.
4. **Bicycles** -- "We" do not cover bicycles.
5. **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.

6. **Money, Money Orders, And Travelers Checks** -- "We" do not cover money, currency, coins, bank notes, money orders, or travelers checks.
7. **Furniture** -- "We" do not cover household furniture.
8. **Limbs, Teeth, Lenses, Or Hearing Aids** -- "We" do not cover artificial limbs or teeth, contact lenses, or hearing aids.
9. **Personal Effects In Your Residence Or In Storage** -- "We" do not cover personal effects while at "your residence" or in storage.

However, "we" do cover personal effects owned or used by an "insured" while traveling.
10. **Personal Effects Of Student** -- "We" do not cover personal effects of a "student" while on the premises of a:

- a. school or college; or
- b. sorority house, fraternity house, dormitory, or private off-campus housing.

However, "we" do cover personal effects of a "student" for loss caused by or resulting from fire.

11. **Physicians And Surgeons Instruments** -- "We" do not cover the instruments of physicians and surgeons.
12. **Property More Specifically Insured** -- "We" do not cover property or articles which are more specifically insured in whole or in part by any other insurance.
13. **Sales Samples And Merchandise For Sale** -- "We" do not cover sales representative samples or merchandise for sale or exhibition.
14. **Theatrical Property** -- "We" do not cover theatrical property.

15. **Vehicles** -- "We" do not cover automobiles or any self-propelled vehicles that are designed for transportation or recreational use including, but not limited to, motorcycles, motorized bicycles, and scooters.

"We" also do not cover:

- a. motorized vehicles or conveyances designed to assist the handicapped or the elderly; and
- b. motors, equipment, parts, or accessories for self-propelled vehicles.

OPTIONAL COVERAGES

An optional coverage applies if the box on the "declarations" for the option is checked.

1. **Additional Insured** -- The person shown on the "declarations" under Additional Insured who is living in "your residence" is an "insured".
2. **Personal Effects Of Student** -- "We" extend coverage to personal effects in the custody of a "student" while on the premises of a:
 - a. school or college; or
 - b. sorority house, fraternity house, dormitory, or private off-campus housing.

When the optional Personal Effects of Student coverage is indicated on the "declarations", the Property Not Covered, Personal Effects Of Student provision is not applicable.

3. **Property In A Recreational Vehicle** --
 - a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to furniture and furnishings while in or used in connection with a recreational vehicle that is owned, rented, or leased by an "insured".

Recreational vehicles include motor homes, travel trailers, truck campers, and folding camping trailers.

When the optional Property In A Recreational Vehicle coverage is indicated on the "declarations", Property Not Covered, Furniture is deleted and replaced as follows:

Furniture -- "We" do not cover household furniture. This does not include furniture or furnishings while in or used in connection with a recreational vehicle that is owned, rented, or leased by an "insured".

- b. **We Do Not Cover** -- "We" do not cover equipment, parts, or accessories:
 - 1) built into or forming a permanent part of a recreational vehicle; or
 - 2) attached to or usually attached to a private passenger automobile or truck.
- c. **Additional Perils Excluded** -- In addition to the exclusions under Perils Excluded, the following exclusions apply to furniture and furnishings in a recreational vehicle:
 - 1) **Electrical Currents** -- "We" do not pay for loss caused by arcing or by electrical currents other than lightning.

But if arcing or electrical currents other than lightning result in a fire or explosion, "we" do cover the loss or damage caused by that fire or explosion.
 - 2) **Mechanical Breakdown** -- "We" do not pay for loss caused by mechanical breakdown.

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

- 3) **Temperature/Humidity** -- "We" do not pay for loss caused by dryness, dampness, humidity, or changes in or extremes of temperature.

But if dryness, dampness, humidity, or changes in temperature result in a fire or explosion, "we" do cover the loss or damage caused by that fire or explosion.

- 4) **Marring And Scratching** -- "We" do not pay for loss caused by marring, or scratching.

- d. **Limit** -- The most "we" pay in any one occurrence for furniture and furnishings in a recreational vehicle is the Property In A Recreational Vehicle Limit shown on the "declarations".

4. **Residence Coverage** --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to personal effects usually carried or worn by a tourist or traveler and that are owned and used by an "insured" while at "your residence".
- b. **Limit** -- The most "we" pay in any one occurrence for personal effects while at "your residence" is the Personal Effects "limit" shown on the "declarations".

This "limit" is part of and not in addition to the "limit" shown on the "declarations" for Personal Effects.

OPTIONAL EXCLUSIONS

An optional exclusion applies when indicated on the "declarations".

Theft And Vandalism Exclusion -- "We" do not cover loss caused by:

1. theft or attempted theft, burglary, larceny, or robbery;

2. mysterious disappearance; or
3. vandalism or malicious mischief.

PERILS COVERED

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

PERILS EXCLUDED

Also refer to Optional Exclusions for an additional exclusion that may apply.

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. **Breakage** -- "We" do not pay for loss caused by breakage of fragile articles.

However, this exclusion does not apply to loss caused by:
 - 1) fire;
 - 2) collision or overturn of transporting vehicle; or
 - 3) theft or attempted theft.
 - 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. **Repairing or Processing Work** -- "We" do not pay for loss to covered property caused by any repairing, processing, or other work upon the property. This includes, but is not limited to, handling, adjusting, servicing, or maintenance.
 - d. **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".
- e. **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.

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".
 - 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.
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.
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.

VALUATION

1. **Actual Cash Value** -- The value of covered property will be based on actual cash value at the time of loss (with a deduction for depreciation).
2. **Loss To A Pair Or Set** -- 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.

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" 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.
-

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.

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".
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 which would broaden 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".
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.