

EXHIBIT 5 - 2

Exclusions

Planning, Design, Materials Or Maintenance
(continued)

- design, specifications, plans, workmanship, repair, construction, renovation, remodeling, grading, compaction,
- materials used in repair, construction, renovation or remodeling, or
- maintenance,

of part or all of any property on or off the premises shown in the Declarations

This exclusion does not apply to ensuing loss or damage unless another exclusion applies

Repair, Restoration Or Retouching

This insurance does not apply to loss or damage caused by or resulting from repair, restoration or retouching of **fine arts**

War And Military Action

This insurance does not apply to loss or damage caused by or resulting from:

- war, including undeclared or civil war;
- 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
- insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these,

regardless of any other cause or event that directly or indirectly:

- contributes concurrently to,
- contributes in any sequence to, or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

Wear And Tear

This insurance does not apply to loss or damage caused by or resulting from wear and tear or gradual deterioration.

This exclusion does not apply to ensuing loss or damage unless another exclusion applies

Coverage Territory

The coverage territory is the United States of America, its territories and possessions and territorial waters, Canada, and Puerto Rico

The coverage territory for Fine Arts In Transit coverage includes the air space used for air shipments between the United States of America, its territories and possessions, Canada and Puerto Rico.

Limits Of Insurance

The most we will pay in any one occurrence is the amount of loss or damage, not to exceed the applicable Limit of Insurance shown in the Declarations, regardless of whether any Coverage, Extension of Coverage or Additional Coverage appears in any other contract or contracts which form a part of this policy



Fine Arts

Deductible

We will pay the amount of loss or damage in excess of the applicable deductible amount shown in the Declarations for each occurrence

Except for any deductible shown in the Declarations for Business Income or Extra Expense, if two or more deductibles apply to the same occurrence, only the largest single deductible will apply, unless otherwise stated

Loss Payment Basis

Fine arts are valued based on their **market value** at the time of loss or damage

Loss Payment Basis Exceptions

Fine Arts of Others

Fine arts not owned by you and in your care, custody or control are valued on the same basis as your **fine arts** (subject to all other exceptions described under Loss Payment Basis Exceptions), but we will not pay more than the amount for which you are legally liable

Pair Or Set

In the event of loss or damage to **fine arts** that are part of a pair or set, at your option, we will either pay:

- the **market value** of the entire pair or set. You will return to us the remaining pieces; or
- the cost to repair the lost or damaged pieces. You will keep the undamaged pieces. If the pair or set with the repaired pieces has a lower value than it had prior to the loss, we will also pay that difference. In no event will we pay more than the value that the pair or set had prior to the loss or damage, or
- the **market value** of the lost or damaged pieces prior to the loss or damage when the pieces cannot be found or repaired. You will keep the undamaged pieces. If the remaining pieces have a reduced value, we will pay the difference between the value of the remaining pieces prior to the loss or damage and after the loss or damage. In no event will we pay more than the value the pair or set had prior to the loss or damage

Conditions

Abandonment

There can be no abandonment of any **fine arts** to us unless we specifically agree to such abandonment in writing

Loss Payable

For covered **fine arts** in which both you and a Loss Payee shown in the Declarations have an insurable interest, we will

- adjust losses with you, and
- pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear

Conditions

(continued)

Loss Payment

- A We will pay for covered direct physical loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this insurance, and:
 - 1. we have reached agreement with you on the amount of loss, or
 - 2. an appraisal award has been made.
- B We will not pay you more than your financial interest in the **fine arts**.
- C We may adjust losses with the owners of lost or damaged **fine arts** if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' **fine arts**. We will not pay the owners more than their financial interest in the **fine arts**.
- D. We may elect to defend you against suits arising from claims of owners of **fine arts**. We will do this at our expense

Other Insurance

If you have other insurance against loss or damage covered by this policy, we shall not pay any amount greater than the proportion that the applicable Limit of Insurance shown in the Declarations bears to the total applicable Limits of Insurance covering the loss or damage

This insurance is excess of any other insurance for **fine arts** not owned by you and in your care, custody or control.

Recovered Fine Arts

If any lost or damaged **fine arts** is recovered by you or us after a loss payment is made, the party making the recovery must give the other party prompt notice

When **fine arts** is recovered, you may.

- keep the recovered **fine arts** and return the loss payment to us, or
- keep the loss payment and we will keep the recovered **fine arts**

If any recovered **fine arts** has salvage value, or if there is any money recovered through subrogation, we will reimburse you, from the amount recovered, for

- the deductible amount that was paid, and
- any uninsured loss or damage resulting from an insufficient Limit of Insurance

If there are any expenses in recovering any lost or damaged **fine arts**, or through subrogation, we will share the expenses with you in proportion to the amount we are each reimbursed

When any recovered **fine arts** that you choose to keep is in need of repair, we will pay for the repairs subject to the applicable Limit of Insurance shown in the Declarations

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Fine Arts

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Contaminant

Contaminant means an impurity resulting from the mixture of or contact of a substance with a foreign substance

Fine Arts

Fine arts means

- paintings, rare books, manuscripts, pictures, prints, etchings, drawings, tapestries, bronzes, statuary, potteries, porcelains, marbles, and other bona fide works of art, or
 - items of rarity or historical value,
- you own or in your care, custody or control

Market Value

Market value means the price which the **fine arts** might be expected to realize if offered for sale in a fair market on the date of loss or damage

Pollutants

Pollutants means any solid, liquid, gaseous or thermal irritant or **contaminant**, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be disposed of, recycled, reconditioned or reclaimed

Property Insurance

Money And Securities

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PROPERTY
INSURANCE
CONTRACT
MONEY
AND
SECURITIES

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Property Insurance

Extra Expense

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EXTRA EXPENSE

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Extra Expense

Contract

Words and phrases that appear in **bold** print have special meanings and are defined in the definitions section of this contract.

Throughout this contract the words "you" and "your" refer to the Named Insured shown in the Declarations of this policy. The words "we", "us" and "our" refer to the company providing this insurance

Coverage

Extra Expense

We will pay for the actual **extra expense** you incur due to the actual or potential impairment of your **operations** during the **period of restoration**, not to exceed the applicable Limit of Insurance for Extra Expense shown in the Declarations.

This actual or potential impairment of **operations** must be caused by or result from direct physical loss or damage by a **covered peril** to **property** at the premises shown in the Declarations, or within 1,000 feet of the premises shown in the Declarations, unless otherwise stated

This coverage applies only at those premises:

- where you incur an **extra expense** loss; and
- for which a Limit of Insurance for Extra Expense is shown in the Declarations

Extension Of Coverage

The following extension of coverage is included under your coverage for **extra expense**, and is subject to the Limit of Insurance for Extra Expense shown in the Declarations

Civil Authority

We will pay for the actual **extra expense** you incur due to the actual or potential impairment, or delay in the start, of your **operations** when a civil authority prohibits access to your premises

This actual or potential impairment or delay in the start of **operations** must be caused by or result from direct physical loss or damage to **property** away from your premises by a **covered peril**

This coverage is limited to 30 days from the time the Civil Authority prohibits access

This coverage does not apply if the direct physical loss or damage is caused by or results from earthquake or **flood**

Additional Coverage

Dependent Business Premises

We will pay for the actual **extra expense** you incur due to the actual or potential impairment of your **operations** during the **period of restoration**, not to exceed the lesser of

- the Limit of Insurance for Extra Expense shown in the Declarations, or
- \$250,000

This actual or potential impairment of **operations** must be caused by or result from direct physical loss or damage by a **covered peril** to **property** or **personal property of a dependent business premises** at a **dependent business premises**

Additional Coverage

Dependent Business Premises
(continued)

This additional coverage does not apply to any **dependent business premises** within any country on which either the United States government or Canadian government have imposed sanctions, embargoes, or any similar prohibitions

Coverage Territory

The coverage territory is the United States of America, its territories and possessions, Canada, and Puerto Rico
The coverage territory for Dependent Business Premises coverage is worldwide, unless otherwise stated

Limits Of Insurance

The most we will pay in any one occurrence, is the amount of loss, not to exceed the applicable Limit of Insurance shown in the Declarations.

Deductible

We will pay the amount of loss in excess of the deductible amount or after the waiting period shown in the Declarations for each occurrence.
If a waiting period is shown in the Declarations, the waiting period begins immediately following the direct physical loss or damage by a **covered peril** to property
If two or more Extra Expense deductibles or waiting periods apply to the same occurrence, only the largest single deductible or waiting period will apply, unless otherwise stated.

Loss Determination

In making any loss determination under this coverage we will utilize relevant sources of information, including

- your financial records and accounting procedures;
- bills, invoices and other vouchers, and
- deeds, liens and contracts

Extra Expense

The amount of **extra expense** loss will be determined based on:

- all expenses that exceed your normal operating expenses that would have been incurred by **operations** during the **period of restoration** if no physical loss or damage had occurred; and
- all necessary expenses that would reduce the **business income** loss that otherwise would have been incurred

We will deduct from the total of such expenses

- the salvage value that remains of any **property** bought for temporary use during the **period of restoration**, once **operations** are resumed and
- any **extra expense** that is paid for by other insurance

Resumption Of Operations

If you do not resume **operations**, any loss determination will be based on the length of time it would have taken to resume **operations** with reasonable speed



Extra Expense

**Loss Payment
Limitation**

*Increase Of Loss Due To
Strikers Or Others Causing
A Delay*

We will not pay for any increase of loss caused by or resulting from delay in repairing or replacing any property or resuming **operations**, due to interference at the location of the repair or replacement by strikers or other persons

Conditions

Loss Payment

- A We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this insurance, and
 - 1 we have reached agreement with you on the amount of loss, or
 - 2 an appraisal award has been made

Other Insurance

If you have other insurance against loss covered by this policy, we shall not pay any amount greater than the proportion that the applicable Limit of Insurance shown in the Declarations bears to the total applicable Limits of Insurance covering the loss

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Extra Expense

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Building

Building means

- a structure,
- completed additions,
- additions to the structure under construction,
- alterations and repairs to the structure,
- **personal property** consisting of materials, machinery, equipment, supplies, and temporary structures used for making additions, alterations, or repairs to the structure;
- outdoor fixtures,
- permanently installed fixtures, machinery, and equipment, and
- **personal property** used to maintain or service the structure or its premises

Building does not mean

- land,
- water,
- paved or concrete surfaces,
- retaining walls,
- foundations or supports below the surface of the lowest floor or basement; or
- **outdoor trees, shrubs, plants or lawns**

Contaminant

Contaminant means an impurity resulting from the mixture of or contact of a substance with a foreign substance

Covered Peril

Covered peril means a peril covered by the Form(s) shown in the Property Insurance Schedule of Forms, except Care, Custody or Control Legal Liability, applicable to the covered direct physical loss or damage

Dependent Business Premises

Dependent business premises means premises operated by others on whom you depend to

- deliver materials or services to you or to others for your account,
- accept your products or services,
- manufacture products for delivery to your customers under contract of sale, or
- attract customers to your business

Dependent business premises does not mean premises operated by others on whom you depend to

- deliver utility services to you, or
- accept utility services from you

Definitions*(continued)***WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:****Electronic Data Processing Media****Electronic data processing media** means:

- punch cards, tapes, discs, diskettes, drums, cells,
- other magnetic or optical recording or storage devices,
- the information recorded on this media, and
- the original source material used to enter data and/or program media

Extra Expense**Extra expense** means expenses you incur

- in an attempt to continue **operations**, over and above the expenses you would have normally incurred, and
- to repair or replace any **property**, or to research or restore the lost information on damaged **valuable papers**, records and media, if such action will reduce any loss we would pay under this insurance

Flood**Flood** means

- waves, tidal water or tidal waves, or
- rising or overflowing or breaking of any boundary,

of natural or man-made lakes, reservoirs, ponds, brooks, rivers, streams, harbors, oceans, or any other body of water, or watercourse, whether driven by wind or not

Improvements And Betterments**Improvements and betterments** means **personal property** comprised of fixtures, alterations, installations or additions.

- made a part of a **building** you occupy but do not own; and
- you acquired or made at your expense but cannot legally remove

Money**Money** means:

- currency, ~~coins~~, bank notes, or bullion, and
- travelers checks, registered checks, food stamps, and money orders held for sale to the public

Operations**Operations** means your business activities occurring at your premises prior to the loss, including the tenability of these premises



Extra Expense

Definitions
(continued)

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Outdoor Trees, Shrubs, Plants, Or Lawns

Outdoor trees, shrubs, plants or lawns means outdoor trees, shrubs, plants, or lawns you own on the premises shown in the Declarations.

Outdoor trees, shrubs, plants or lawns does not mean

- outdoor trees, shrubs, plants or lawns that you hold for sale as **stock**; or
- growing crops

Patterns, Molds And Dies

Patterns, molds and dies means **personal property** consisting of patterns, molds, dies and other similar property usual to your business that are owned by you or in your care, custody or control.

Period Of Restoration

Period of restoration means the period of time that begins with

- A the date of the direct physical loss or damage, or
- B the date **operations** would have begun if the direct physical loss or damage had not occurred, when loss or damage to any of the following delays the start of **operations**:
 1. new **buildings** whether complete or under construction,
 2. alterations or additions to existing **buildings**, or
 3. **personal property** consisting of materials, machinery, equipment, supplies and temporary structures used in the construction, or for making additions, alterations or repairs to the structure.

Period of Restoration will continue until your **operations** are restored, with reasonable speed, to the condition that would have existed if no direct physical loss or damage occurred, including the time required to:

- A repair or replace the **property**; or
- B repair or replace the **property** to comply with the minimum standards of any ordinance or law that
 - 1 regulates the repair or replacement of any **property**,
 - 2 requires the tearing down of parts of any **property** not damaged by a **covered peril**; and
 - 3 is in force on the date of the direct physical loss or damage

The expiration date of this policy will not cut short the **period of restoration**

Period of restoration does not include any increased period required due to the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**

Definitions
(continued)

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Personal Property

Personal property means

- all your business personal property,
- business personal property in which you have an insurable interest;
- **patterns, molds and dyes;**
- **personal property of others;**
- labor, materials and services furnished or arranged by you on **personal property of others;** and
- tenant's **improvements and betterments**

Personal property does not mean.

- **building,**
- land,
- water;
- growing crops,
- **outdoor trees, shrubs, plants or lawns,**
- vehicles or machines licensed for use on public roads,
- self-propelled watercraft in water,
- aircraft, except aircraft manufactured, processed, warehoused or held for sale while on the ground;
- **money or securities,**
- personal property sold under a conditional sale or trust agreement or an installment or deferred payment plan after delivery to customers, or
- animals, except animals owned by others and boarded by you or animals owned by you and held for sale.

*Personal Property Of A
Dependent Business
Premises*

Personal property of a dependent business premises means personal property owned or leased by a **dependent business premises**

Personal property of a dependent business premises does not mean

- **building,**
- land;
- water,
- growing crops,
- **outdoor trees, shrubs, plants or lawns,**
- vehicles or machines licensed for use on public roads,
- self-propelled watercraft in water.



Extra Expense

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

*Personal Property Of A
Dependent Business
Premises
(continued)*

- aircraft, except aircraft manufactured, processed, warehoused or held for sale while on the ground,
- **money or securities**, or
- animals

*Personal Property Of
Employees*

Personal property of employees means personal property owned or leased by your employee and in your care, custody or control

Personal property of employees does not mean

- **building**,
- land,
- water,
- growing crops,
- **outdoor trees, shrubs, plants or lawns**;
- vehicles or machines licensed for use on public roads;
- self-propelled watercraft in water,
- aircraft, except aircraft manufactured, processed, warehoused or held for sale while on the ground,
- **money or securities**,
- personal property sold under a conditional sale or trust agreement or an installment or deferred payment plan after delivery to customers; or
- animals, except animals owned by your employees and boarded by you

*Personal Property Of
Others*

Personal property of others means personal property not owned by you and in your care, custody or control

Personal property of others does not include **personal property of employees**

Pollutants

Pollutants means any solid, liquid, gaseous or thermal irritant or **contaminant**, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be disposed of, recycled, reconditioned or reclaimed

Property

Property means property covered by the Form(s) shown in the Property Insurance Schedule of Forms

Definitions

(continued)

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTACT:

Securities

Securities means.

- all negotiable and non-negotiable instruments or contracts that represent either money or other property held by you in any capacity,
- revenue and other stamps in current use.
- tokens,
- tickets, and
- property of others that you hold as a pledge or as collateral for a loan

Securities does not mean **money**

Valuable Papers

Valuable papers means valuable:

- papers, documents, records, negatives, transparencies,
- tapes of all types, and
- original plans, blueprints, specifications or designs

Valuable papers does not mean

- **electronic data processing media,**
- **money;** or
- **securities**



Money And Securities

Contract

Words and phrases that appear in **bold** print have special meanings and are defined in the definitions section of this contract

Throughout this contract the words 'you' and 'your' refer to the Named Insured shown in the Declarations of this policy. The words 'we', 'us' and 'our' refer to the company providing this insurance

Coverage

Money And Securities - On Premises We will pay for direct physical loss or damage to **money** or **securities** caused by or resulting from a peril not otherwise excluded **on premises**, not to exceed the applicable Limit of Insurance for Money and Securities On Premises shown in the Declarations

Money And Securities - Off Premises We will pay for direct physical loss or damage to **money** or **securities** caused by or resulting from a peril not otherwise excluded **off premises**, not to exceed the applicable Limit of Insurance for Money and Securities Off Premises shown in the Declarations

Exclusions

Accounting This insurance does not apply to accounting, mathematical or record-keeping errors

Acts Or Decisions This insurance does not apply to loss or damage caused by or resulting from acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body
This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

Books And Records This insurance does not apply to loss or damage to manuscripts, records, accounts, media, microfilm or tapes

Consequential Loss This insurance does not apply to loss of income, interest or dividends

Dishonesty This insurance does not apply to loss or damage caused by or resulting from fraudulent, dishonest, or criminal acts or omissions committed alone or in collusion with others by you, your partners, directors, trustees, and employees, or by anyone authorized to act for you, or anyone to whom you have entrusted covered property for any purpose

This exclusion does not apply to

- acts of vandalism,
- acts committed by common carriers for hire or anyone claiming to be a common carrier for hire, or
- ensuing loss or damage unless another exclusion applies

Exclusions

(continued)

Expenses

This insurance does not apply to any fees, costs or expenses you incur or pay.

- in establishing the existence or the amount of any loss; or
- in prosecuting or defending any legal proceeding or claim, whether or not any such proceeding results or would result in a loss recoverable under this insurance.

Fire

This insurance does not apply to loss or damage caused by or resulting from fire to property of others that you hold as a pledge or as collateral.

Forgery

This insurance does not apply to loss or damage caused by or resulting from forgery.

Governmental Action

This insurance does not apply to loss or damage caused by or resulting from seizure, confiscation, expropriation, nationalization or destruction of property by order of governmental authority, regardless of any other cause or event that directly or indirectly

- contributes concurrently to,
- contributes in any sequence to, or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered

This exclusion does not apply to loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this insurance

Kidnap/Ransom Or Extortion

This insurance does not apply to loss or damage caused by or resulting from kidnap/ransom or other extortion payments surrendered to any person as a result of a threat to do.

- bodily harm to any person; or
- damage to the premises or other property owned by you or held by you in any capacity

This exclusion does not apply to **robbery of money or securities**

Nuclear Hazard

This insurance does not apply to loss or damage caused by or resulting from nuclear reaction or radiation, or radioactive contamination, regardless of any other cause or event that directly or indirectly

- contributes concurrently to,
- contributes in any sequence to; or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered

This exclusion does not apply to ensuing loss or damage caused by or resulting from fire.



Money And Securities

Exclusions

(continued)

Planning, Design, Materials Or Maintenance

This insurance does not apply to loss or damage (including the costs of correcting or making good) caused by or resulting from any faulty, inadequate or defective

- planning, zoning, development, surveying, siting,
- design, specifications, plans, workmanship, repair, construction, renovation, remodeling, grading, compaction,
- materials used in repair, construction, renovation or remodeling, or
- maintenance,

of part or all of any property on or off the premises shown in the Declarations

This exclusion does not apply to ensuing loss or damage unless another exclusion applies

Surrendering

This insurance does not apply to loss or damage caused by or resulting from the giving or surrendering of **money** or **securities** in any exchange or purchase

War And Military Action

This insurance does not apply to loss or damage caused by or resulting from

- war, including undeclared or civil war,
- 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
- insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these,

regardless of any other cause or event that directly or indirectly

- contributes concurrently to,
- contributes in any sequence to, or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

Wear And Tear

This insurance does not apply to loss or damage caused by or resulting from wear and tear or gradual deterioration

This exclusion does not apply to ensuing loss or damage unless another exclusion applies

Coverage Territory

The coverage territory is the United States of America, its territories and possessions, Canada, and Puerto Rico

Limits Of Insurance

The most we will pay in any one occurrence is the amount of loss or damage, not to exceed the applicable Limit of Insurance shown in the Declarations

Deductible

We will pay the amount of loss or damage in excess of the applicable deductible amount shown in the Declarations for each occurrence

Except for any deductible for Business Income or Extra Expense shown in the Declarations, if two or more deductibles apply to the same occurrence, only the largest single deductible will apply, unless otherwise stated

Loss Payment Basis

Money

Money is valued based on:

- the face value of United States or Canadian currency if the loss involves United States or Canadian currency, or
- the United States dollar value of a foreign currency based on the free currency rate of exchange in effect on the day any loss involving foreign currency is discovered.

If the loss occurs before the money has been counted and recorded by you, the value of the money will not exceed the amount that is reasonably estimated and satisfactory to us

Securities

Securities are valued based on the lesser of the following.

- the actual market value of the securities at the end of the last business day before the loss is discovered, or
- the actual cost of replacing the securities on the day loss payment is made

Property of others that you hold as a pledge or as collateral for a loan is valued at

- the value of the property at the time you made the loan, or
- the amount of the loan that remains unpaid at the time of loss, plus accrued interest on that amount at legal interest rates

Payment Made By Others

We will deduct from any payment we make for loss or damage to money or securities the amount you recover from:

- any contract you have with an armored vehicle company,
- insurance carried by an armored vehicle company, and
- insurance carried by others

Conditions

Abandonment

There can be no abandonment of any money or securities to us unless we specifically agree to such abandonment in writing.



Money And Securities

Conditions

(continued)

Loss Payable

For covered **money** or **securities** in which both you and a Loss Payee shown in the Declarations have an insurable interest, we will

- adjust losses with you, and
- pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear

Loss Payment

- A We will pay for covered direct physical loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this insurance, and
- 1 we have reached agreement with you on the amount of loss, or
 - 2 an appraisal award has been made.
- B We will not pay you more than your financial interest in the **money** or **securities**
- C We may adjust losses with the owners of lost or damaged **money** or **securities** if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners **money** or **securities**. We will not pay the owners more than their financial interest in such property.
- D We may elect to defend you against suits arising from claims of owners of **money** or **securities**. We will do this at our expense.

Other Insurance

If you have other insurance against loss or damage covered by this policy, we shall not pay any amount greater than the proportion that the applicable Limit of Insurance shown in the Declarations bears to the total applicable Limits of Insurance covering the loss or damage.

This insurance is excess of any other insurance for property owned by others that you hold as a pledge or as collateral for a loan.

Recovered Money Or Securities

If any lost or damaged **money** or **securities** is recovered by you or us after a loss payment is made the party making the recovery must give the other party prompt notice.

When **money** or **securities** is recovered, you may

- keep the recovered **money** or **securities** and return the loss payment to us; or
- keep the loss payment and we will keep the recovered **money** or **securities**.

If any recovered **money** or **securities** has salvage value, or if there is any money recovered through subrogation, we will reimburse you, from the amount recovered, for

- the deductible amount that was paid, and
- any uninsured loss or damage resulting from an insufficient Limit of Insurance.

If there are any expenses in recovering any lost or damaged **money** or **securities**, or through subrogation, we will share the expenses with you in proportion to the amount we are each reimbursed.

Conditions

*Recovered Money Or
Securities
(continued)*

When any recovered **money** or **securities** that you choose to keep is in need of repair, we will pay for the repairs subject to the applicable Limit of Insurance shown in the Declarations

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Money And Securities

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Money

Money means:

- currency, coins, bank notes, or bullion, and
- travelers checks, registered checks, food stamps, and money orders held for sale to the public

Off Premises

Off premises means.

- in the custody of an armored motor vehicle company; or
- in the possession of any person authorized by you, but not while in the mail or in the custody of a carrier for hire other than an armored motor vehicle company.

On Premises

On premises means:

- on the premises shown in the Declarations, or
- in a bank, or
- in a recognized place of safe deposit

Robbery Of Money Or Securities

Robbery of money or securities means the unlawful taking of **money** or **securities** from

- you,
- your partner;
- your employee, or
- any other person authorized by you to have custody of the **money** or **securities**

by violence, threat of violence or any other overt felonious act committed in the presence and with cognizance of any such person.

Securities

Securities means:

- all negotiable and non-negotiable instruments or contracts that represent either money or other property held by you in any capacity
- revenue and other stamps in current use.
- tokens,
- tickets, and
- property of others that you hold as a pledge or as collateral for a loan.

Securities does not mean **money**

Property Insurance

Valuable Papers

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PROPERTY
CONTRACT
VALUABLE
PAPERS

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Valuable Papers

Contract

Words and phrases that appear in **bold** print have special meanings and are defined in the definitions section of this contract

Throughout this contract the words "you" and "your" refer to the Named Insured shown in the Declarations of this policy. The words "we", "us" and "our" refer to the company providing this insurance.

Coverage

Valuable Papers

We will pay for direct physical loss or damage to **valuable papers** caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit of Insurance for Valuable Papers shown in the Declarations

The loss or damage must occur at the premises shown in the Declarations, or within 1,000 feet of the premises shown in the Declarations, unless otherwise stated.

Extension Of Coverage

The following extension of coverage is included under your coverage for **valuable papers**, and is subject to the Limit of Insurance for Valuable Papers shown in the Declarations

Removal

We will pay for:

- any direct physical loss or damage to **valuable papers** while being moved to or while stored at another location for up to 180 days, or
- the cost to remove **valuable papers** from any premises,

if you must move the **valuable papers** from a premises to preserve them from loss or damage caused by or resulting from a peril not otherwise excluded

Additional Coverages

Unless otherwise stated, the following Additional Coverages are provided at each covered premises only if a Limit of Insurance for such Additional Coverages at each covered premises is shown in the Declarations.

Debris Removal

We will pay for the costs you incur to demolish and remove debris of lost or damaged **valuable papers** at the premises shown in the Declarations caused by or resulting from a peril not otherwise excluded that occurs during the policy period.

Debris removal will be paid only if reported to us in writing within 180 days of the date of the direct physical loss or damage to **valuable papers**

Debris removal does not apply to costs to:

- clean-up or remove **pollutants** from land or water, or
- clean-up, remove, restore or replace polluted land or water

This Additional Coverage is provided regardless of whether a Limit of Insurance for Debris Removal is shown in the Declarations

Additional Coverages

(continued)

Fire Department Service Charges We will pay the charges you assume by contract or agreement executed prior to loss, or charges that you are required to pay by local ordinance if the fire department is called to save or protect your **valuable papers** from direct physical loss or damage caused by or resulting from a peril not otherwise excluded, not to exceed the Limit of Insurance for Fire Department Service Charges shown in the Declarations

Inventory Or Appraisals We will pay for the cost of any inventory or appraisal that we require from you to determine the extent of direct physical loss or damage to **valuable papers**, not to exceed the Limit of Insurance for Inventory or Appraisals shown in the Declarations.

Valuable Papers In Transit We will pay for direct physical loss or damage to **valuable papers** in transit, including registered shipments by mail, caused by or resulting from a peril not otherwise excluded, not to exceed the Limit of Insurance for In Transit shown under Valuable Papers in the Declarations

Exclusions

Acts Or Decisions This insurance does not apply to loss or damage caused by or resulting from acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body
 This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

Dishonesty This insurance does not apply to loss or damage caused by or resulting from fraudulent, dishonest, or criminal acts or omissions committed alone or in collusion with others by you, your partners, directors, trustees, and employees, or by anyone authorized to act for you, or anyone to whom you have entrusted covered property for any purpose

This exclusion does not apply to

- acts of vandalism,
- acts committed by common carriers for hire or anyone claiming to be a common carrier for hire; or
- ensuing loss or damage unless another exclusion applies.

Governmental Action This insurance does not apply to loss or damage caused by or resulting from seizure, confiscation, expropriation, nationalization or destruction of property by order of governmental authority, regardless of any other cause or event that directly or indirectly

- contributes concurrently to,
- contributes in any sequence to, or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered



Valuable Papers

Exclusions

Governmental Action (continued)

This exclusion does not apply to loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this insurance.

Nuclear Hazard

This insurance does not apply to loss or damage caused by or resulting from nuclear reaction or radiation, or radioactive contamination, regardless of any other cause or event that directly or indirectly

- contributes concurrently to,
- contributes in any sequence to, or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered

This exclusion does not apply to ensuing loss or damage caused by or resulting from fire.

Planning, Design, Materials Or Maintenance

This insurance does not apply to loss or damage (including the costs of correcting or making good) caused by or resulting from any faulty, inadequate or defective.

- planning, zoning, development, surveying, siting,
- design, specifications, plans, workmanship, repair, construction, renovation, remodeling, grading, compaction,
- materials used in repair, construction, renovation or remodeling; or
- maintenance,

of part or all of any property on or off the premises shown in the Declarations

This exclusion does not apply to ensuing loss or damage unless another exclusion applies

War And Military Action

This insurance does not apply to loss or damage caused by or resulting from:

- war, including undeclared or civil war,
- 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
- insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these,

regardless of any other cause or event that directly or indirectly

- contributes concurrently to,
- contributes in any sequence to, or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered

Exclusions

(continued)

Wear And Tear

This insurance does not apply to loss or damage caused by or resulting from wear and tear or gradual deterioration.

This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

Coverage Territory

The coverage territory is the United States of America, its territories and possessions and territorial waters, Canada, and Puerto Rico

The coverage territory for Valuable Papers in Transit coverage includes the air space used for air shipments between the United States of America, its territories and possessions, Canada and Puerto Rico

Limits Of Insurance

The most we will pay in any one occurrence is the amount of loss or damage, not to exceed the applicable Limit of Insurance shown in the Declarations, regardless of whether any Coverage, Extension of Coverage or Additional Coverage appears in any other contract or contracts which form a part of this policy.

Deductible

We will pay the amount of loss or damage in excess of the applicable deductible amount shown in the Declarations for each occurrence

Except for any deductible for Business Income or Extra Expense shown in the Declarations, if two or more deductibles apply to the same occurrence, only the largest single deductible will apply, unless otherwise stated

Loss Payment Basis

Valuable papers are valued based on the full cost of replacement or reproduction at the time of direct physical loss or damage when they are actually replaced or reproduced

If **valuable papers** are not replaced or reproduced, the value is based on the cost of blank materials.

Loss Payment Basis Exception

Valuable Papers Of Others

Valuable papers not owned by you and in your care, custody or control are valued on the same basis as your **valuable papers**, but we will not pay more than the amount for which you are legally liable

Conditions

Abandonment

There can be no abandonment of any **valuable papers** to us unless we specifically agree to such abandonment in writing



Valuable Papers

Conditions

(continued)

Loss Payable

For covered **valuable papers** in which both you and a Loss Payee shown in the Declarations have an insurable interest, we will

- adjust losses with you; and
- pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

Loss Payment

- A We will pay for covered direct physical loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this insurance, and
- 1 we have reached agreement with you on the amount of loss, or
 - 2 an appraisal award has been made
- B We will not pay you more than your financial interest in the **valuable papers**
- C We may adjust losses with the owners of lost or damaged **valuable papers** if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' **valuable papers**. We will not pay the owners more than their financial interest in the **valuable papers**.
- D We may elect to defend you against suits arising from claims of owners of **valuable papers**. We will do this at our expense

Other Insurance

If you have other insurance against loss or damage covered by this policy, we shall not pay any amount greater than the proportion that the applicable Limit of Insurance shown in the Declarations bears to the total applicable Limits of Insurance covering the loss or damage

This insurance is excess of any other insurance for **valuable papers** not owned by you and in your care, custody or control.

Recovered Valuable Papers

If any lost or damaged **valuable papers** are recovered by you or us after a loss payment is made, the party making the recovery must give the other party prompt notice

When **valuable papers** are recovered, you may

- keep the recovered **valuable papers** and return the loss payment to us, or
- keep the loss payment and we will keep the recovered **valuable papers**

If any recovered **valuable papers** have salvage value, or if there is any money recovered through subrogation, we will reimburse you, from the amount recovered, for.

- the deductible amount that was paid, and
- any uninsured loss or damage resulting from an insufficient Limit of Insurance

If there are any expenses in recovering any lost or damaged **valuable papers**, or through subrogation, we will share the expenses with you in proportion to the amount we are each reimbursed

Conditions

*Recovered Valuable
Papers
(continued)*

When any recovered **valuable papers** that you choose to keep are in need of repair, we will pay for the repairs subject to the applicable Limit of Insurance shown in the Declarations.

*

* * *



Valuable Papers

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Contaminant

Contaminant means an impurity resulting from the mixture of or contact of a substance with a foreign substance

Electronic Data Processing Media

Electronic data processing media means

- punch cards, tapes, discs, diskettes, drums, cells,
- other magnetic or optical recording or storage devices,
- the information recorded on this media, and
- the original source material used to enter data and/or program media.

Money

Money means

- currency, coins, bank notes, or bullion; and
- travelers checks, registered checks, food stamps, and money orders held for sale to the public

Pollutants

Pollutants means any solid, liquid, gaseous or thermal irritant or **contaminant**, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be disposed of, recycled, reconditioned or reclaimed

Securities

Securities means

- all negotiable and non-negotiable instruments or contracts that represent either money or other property held by you in any capacity,
- revenue and other stamps in current use,
- tokens,
- tickets, and
- property of others that you hold as a pledge or as collateral for a loan

Securities does not mean **money**

Valuable Papers

Valuable papers means valuable:

- papers, documents, records, negatives, transparencies;
- tapes of all types, and
- original plans, blueprints, specifications or designs, you own or in your care, custody or control

Definitions

Valuable Papers
(continued)

Valuable papers does not mean

- **electronic data processing media;**
- **money, or**
- **securities**

Property Insurance

Personal Property In Transit

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PROPERTY
 CONTRACT
 PERSONAL
 PROPERTY
 IN
 TRANSIT

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Personal Property In Transit

Contract

Words and phrases that appear in **bold print** have special meanings and are defined in the definitions section of this contract.

Throughout this contract the words "you" and "your" refer to the Named Insured shown in the Declarations of this policy. The words "we", "us" and "our" refer to the company providing this insurance.

Coverage

We will pay for direct physical loss or damage you incur for each coverage described below only when a Limit of Insurance for each coverage is shown in the Declarations.

Personal Property In Transit

We will pay for direct physical loss or damage to **personal property**

- A in transit, including registered shipments by mail, caused by or resulting from a peril not otherwise excluded,
- B in transit sold "Free on Board" or other similar terms when the title of a shipment passes to the consignee and if the consignee refuses to pay because such property is lost or damaged by or resulting from a peril not otherwise excluded. We will not attempt to collect from the consignee unless you.
 - 1 provide us with your written consent to do so, or
 - 2 assign us your right of action, and
- C which is caused by or results from fraud perpetrated by any person or persons who represent themselves to be the proper party or parties to receive goods for shipment or accept goods for delivery,

not to exceed the applicable Limit of Insurance for In Transit shown under Personal Property in the Declarations

This additional coverage does not cover

- any property while in transit to or from any exhibition, fair or trade show,
- **salespersons' samples,**
- any property in transit when you are acting as a carrier for hire, or
- any property in transit if you have purchased separate ocean marine insurance which covers such property in transit

Exhibition, Fair Or Trade Show

We will pay for direct physical loss or damage to **personal property** caused by or resulting from a peril not otherwise excluded while

- in transit to or from any exhibition, fair or trade show, or
- at any exhibition, fair or trade show,

not to exceed the Limit of Insurance for Exhibition, Fair or Trade Show shown under Personal Property in the Declarations

Coverage*(continued)*

International Air Shipments We will pay for direct physical loss or damage to **personal property** caused by or resulting from a peril not otherwise excluded in transit via regularly scheduled airlines to or from:

- the Continental United States of America;
- Canada;
- the state of Hawaii,
- Puerto Rico; or
- territories or possessions of the United States of America,

and points worldwide, not to exceed the Limit of Insurance for International Air Shipments shown under Personal Property in the Declarations. This coverage applies from the delivery of **personal property** at the point of origin shown in the air waybill until it is discharged at the destination shown in the airway bill.

This coverage does not apply

- to **personal property** in transit to or from, or which passes through any country on which either the United States government or Canadian government have imposed sanctions, embargoes, or any similar prohibitions;
- to **personal property** in transit if you have purchased separate ocean marine insurance which covers such **personal property** in transit, or
- if you are required to provide a negotiable special cargo policy of insurance to any seller, buyer or bank.

Salespersons' Samples We will pay for direct physical loss or damage to **salespersons' samples** caused by or resulting from a peril not otherwise excluded, not to exceed the Limit of Insurance for Salespersons' Samples shown in the Declarations.

Exclusions**Acts Or Decisions**

This insurance does not apply to loss or damage caused by or resulting from acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

Dishonesty

This insurance does not apply to loss or damage caused by or resulting from fraudulent, dishonest, or criminal acts or omissions committed alone or in collusion with others by you, your partners, directors, trustees, and employees, or by anyone authorized to act for you, or anyone to whom you have entrusted covered property for any purpose.



Personal Property In Transit

Exclusions

Dishonesty (continued)

This exclusion does not apply to

- acts of vandalism,
- acts committed by common carriers for hire or anyone claiming to be a common carrier for hire, or
- ensuing loss or damage unless another exclusion applies

Governmental Action

This insurance does not apply to loss or damage caused by or resulting from seizure, confiscation, expropriation, nationalization or destruction of property by order of governmental authority, regardless of any other cause or event that directly or indirectly

- contributes concurrently to,
- contributes in any sequence to; or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

This exclusion does not apply to loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this insurance

Insects Or Animals

This insurance does not apply to loss or damage caused by or resulting from nesting or infestation by, or discharge or release of waste products or secretions of

- insects,
- birds,
- rodents, or
- other animals

This exclusion does not apply to ensuing loss or damage unless another exclusion applies

Loss Of Market

This insurance does not apply to loss or damage caused by or resulting from loss of market, loss of use or delay

This exclusion does not apply to ensuing loss or damage unless another exclusion applies

Mistakes

This insurance does not apply to loss or damage caused by or resulting from error in the development, distribution, processing, manufacturing, testing, installation, alteration or repair of property

This exclusion does not apply to ensuing loss or damage unless another exclusion applies

Exclusions

(continued)

Nuclear Hazard

This insurance does not apply to loss or damage caused by or resulting from nuclear reaction or radiation, or radioactive contamination, regardless of any other cause or event that directly or indirectly.

- contributes concurrently to,
- contributes in any sequence to, or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered

This exclusion does not apply to ensuing loss or damage caused by or resulting from fire

Planning, Design, Materials Or Maintenance

This insurance does not apply to loss or damage (including the costs of correcting or making good) caused by or resulting from any faulty, inadequate or defective

- planning, zoning, development, surveying, siting;
- design, specifications, plans, workmanship, repair, construction, renovation, remodeling, grading, compaction,
- materials used in repair, construction, renovation or remodeling; or
- maintenance,

of part or all of any property on or off the premises shown in the Declarations

This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

War And Military Action

This insurance does not apply to loss or damage caused by or resulting from:

- war, including undeclared or civil war,
- 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
- insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these,

regardless of any other cause or event that directly or indirectly

- contributes concurrently to,
- contributes in any sequence to, or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

Wear And Tear

This insurance does not apply to loss or damage caused by or resulting from wear and tear or gradual deterioration

This exclusion does not apply to ensuing loss or damage unless another exclusion applies



Personal Property In Transit

Coverage Territory

The coverage territory is the United States of America, its territories and possessions, and territorial waters, Canada, and Puerto Rico

The coverage territory for Exhibition, Fair or Trade Show coverage, Personal Property In Transit coverage, and Salespersons' Samples coverage includes the air space used for air shipments between the United States of America, its territories and possessions, Canada and Puerto Rico.

The coverage territory for International Air Shipments coverage is worldwide, unless otherwise stated

Limits Of Insurance

The most we will pay in any one occurrence is the amount of loss or damage, not to exceed the applicable Limit of Insurance shown in the Declarations

Deductible

We will pay the amount of loss or damage in excess of the applicable deductible amount shown in the Declarations for each occurrence

Except for any deductible for Business Income or Extra Expense shown in the Declarations, if two or more deductibles apply to the same occurrence, only the largest single deductible will apply, unless otherwise stated

Loss Payment Basis

Subject to the applicable Limit of Insurance shown in the Declarations

- A **personal property** is valued on a replacement cost basis as described below, unless
 - 1 the Loss Payment Basis shown in the Declarations is actual cash value, or
 - 2 otherwise stated under Loss Payment Basis Exceptions.
- B **personal property** valuation includes costs you incur as described below under Brands and Labels and Extended Warranties, and
- C **personal property** valuation includes general average and salvage charges you incur on waterborne shipments of **personal property**

Our Loss Payment Options

In the event of loss or damage covered by this insurance, at our option we will either

- pay the covered value of the lost or damaged **personal property**;
- pay the cost of repairing or replacing the lost or damaged **personal property**, plus any reduction in value of the repaired item,
- take all or any part of the **personal property** at an agreed or appraised value, or
- repair or replace the **personal property** with other **personal property** of comparable material and quality for the same use.

Replacement Cost Basis

Lost or damaged **personal property** will be valued at the lesser of the full cost to repair or replace it at the time of loss or damage, including customs duties incurred, but not more than you actually spend to repair or replace the **personal property** for the same use. There is no deduction for depreciation or deterioration

Loss Payment Basis**Replacement Cost Basis**
(continued)

If you do not repair or replace the **personal property**, we will only pay as provided under Actual Cash Value Basis

If you commence the repair or replacement of the lost or damaged **personal property** within 24 months from the date of the loss or damage, we will pay you the difference between the actual cash value previously paid and the replacement cost at the time of loss or damage

Actual Cash Value Basis

If the Loss Payment Basis shown in the Declarations is actual cash value, lost or damaged **personal property** will be valued at the lesser of the full cost to repair or replace it on the date of loss or damage with material of like kind and quality, less allowance for each of the following

- physical deterioration,
- depreciation,
- obsolescence, and
- depletion

Brands And Labels

Personal property valuation includes the cost of:

- replacing labels, capsules, wrappers or containers from damaged **personal property**, or
- identifying and reconditioning damaged **personal property**

In the event of damage to **stock** you have two options when:

- you do not want to sell your damaged **stock** under your brand or label, or
- the owner of any damaged **stock** in your care, custody or control does not want to sell that damaged **stock** under the owner's brand or label,

even though the damaged **stock** has salvage value;

You may:

- remove the brand or label and then relabel the damaged **stock** to comply with the law, or
- label the damaged **stock** as "salvage" but, in doing so, cause no further damage to the **stock**

In either case, the **personal property** valuation will include the difference between:

- the salvage value of the damaged **stock** with the brand or label attached, and
- the salvage value of the damaged **stock** with the brand or label removed

Extended Warranties

Personal property valuation includes the cost of non-refundable extended warranties, maintenance contracts or service contracts that you purchased, which are no longer valid on lost or damaged **personal property** that you repair or replace.



Personal Property In Transit

Loss Payment Basis Exceptions

- | | |
|---|--|
| <i>Accounts Receivable Records, Valuable Papers, And Electronic Data Processing Media</i> | Accounts receivable records, valuable papers, and electronic data processing media , (other than prepackaged software programs), are valued based on the cost of blank materials, and the cost of copying data onto blank materials from a duplicate source on the same type of materials |
| <i>Finished Stock And Sold Personal Property</i> | Finished stock and sold personal property completed and awaiting delivery are valued based on your selling price less the value of discounts and costs you would have incurred |
| <i>Gold, Gold Salts And Other Precious Metals</i> | Gold, gold salts and other precious metals are valued based on the average market cost for replacement as published by the London Metals Market during the period of 10 business days immediately preceding the date of loss or damage, or the actual sum you pay for replacement, whichever is less. |
| <i>Personal Property Of Others</i> | Personal property of others is valued on the same basis as personal property (subject to all other exceptions described under Loss Payment Basis Exceptions), but we will not pay more than the amount for which you are legally liable

Labor, materials and services that you furnish or arrange on personal property of others are valued based on the actual cost of the labor, materials and services |
| <i>Stock In Process</i> | Stock in process is valued based on raw materials and costs expended as of the date of loss or damage |
|
Conditions | |
| <i>Abandonment</i> | There can be no abandonment of any personal property to us unless we specifically agree to such abandonment in writing |
| <i>Loss Payable</i> | For insured personal property in which both you and a Loss Payee shown in the Declarations have an insurable interest, we will. <ul style="list-style-type: none"> • adjust losses with you, and • pay any claim for loss or damage jointly to you and the Loss Payee as interests may appear |
| <i>Loss Payment</i> | A We will pay for covered direct physical loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this insurance, and <ol style="list-style-type: none"> 1 we have reached agreement with you on the amount of loss, or 2 an appraisal award has been made. <p>B We will not pay you more than your financial interest in the personal property</p> |



Personal Property In Transit

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Accounts Receivable Records

Accounts receivable records means accounting records, including support records such as invoices and accounting records on **electronic data processing media**, used to control and document the collection of money due from customers.

Building

Building means:

- a structure,
- completed additions,
- additions to the structure under construction,
- alterations and repairs to the structure,
- **personal property** consisting of materials, machinery, equipment, supplies, and temporary structures used for making additions, alterations, or repairs to the structure,
- outdoor fixtures,
- permanently installed fixtures, machinery, and equipment, and
- **personal property** used to maintain or service the structure or its premises

Building does not mean

- land,
- water,
- paved or concrete surfaces,
- retaining walls,
- foundations or supports below the surface of the lowest floor or basement, or
- **outdoor trees, shrubs, plants or lawns.**

Contaminant

Contaminant means an impurity resulting from the mixture of or contact of a substance with a foreign substance

Electronic Data Processing Media

Electronic data processing media means

- punch cards, tapes, discs, diskettes, drums, cells,
- other magnetic or optical recording or storage devices,
- the information recorded on this media, and
- the original source material used to enter data and/or program media

Definitions*(continued)***WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:***Finished Stock*

Finished stock means goods you have manufactured which are in their completed state and ready for sale

Finished stock does not include goods you have manufactured which are in their completed state and ready for sale on the premises of any retail outlet insured by Business Income Insurance

Improvements And Betterments

Improvements and betterments means **personal property** comprised of fixtures, alterations, installations or additions

- made a part of the **building** you occupy but do not own; and
- you acquired or made at your expense but cannot legally remove.

Merchandise

Merchandise means goods held for sale by you which are not the products of manufacturing operations conducted by you

Money

Money means:

- currency, coins, bank notes, or bullion, and
- travelers checks, registered checks, food stamps, and money orders held for sale to the public

Outdoor Trees, Shrubs, Plants, Or Lawns

Outdoor trees, shrubs, plants, or lawns means outdoor trees, shrubs, plants, or lawns you own on the premises shown in the Declarations

Outdoor trees, shrubs, plants or lawns does not mean

- outdoor trees, shrubs, plants or lawns that you hold for sale as **stock**; or
- growing crops

Patterns, Molds And Dies

Patterns, molds and dies means **personal property** consisting of patterns, molds, dies and other similar property usual to your business that are owned by you or in your care, custody or control

Personal Property

Personal property means:

- all your business personal property;
- business personal property in which you have an insurable interest;
- **patterns, molds and dies**;
- **personal property of others**;
- labor, materials and services furnished or arranged by you on **personal property of others**, and
- tenant's **improvements and betterments**



Personal Property In Transit

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Personal Property (continued)

Personal property does not mean:

- **building,**
- land,
- water;
- growing crops,
- **outdoor trees, shrubs, plants, or lawns;**
- vehicles or machines licensed for use on public roads,
- self-propelled watercraft in water,
- aircraft, except aircraft manufactured, processed, warehoused or held for sale while on the ground,
- **money or securities,**
- personal property sold under a conditional sale or trust agreement or an installment or deferred payment plan after delivery to customers, or
- animals, except animals owned by others and boarded by you or animals owned by you and held for sale

Personal Property Of Employees

Personal property of employees means personal property owned or leased by your employee and in your care, custody or control

Personal property of employees does not mean

- **building,**
- land,
- water,
- growing crops,
- **outdoor trees, shrubs, plants, or lawns,**
- vehicles or machines licensed for use on public roads,
- self-propelled watercraft in water,
- aircraft, except aircraft manufactured, processed, warehoused or held for sale while on the ground,
- **money or securities,**
- personal property sold under a conditional sale or trust agreement or an installment or deferred payment plan after delivery to customers, or
- animals, except animals owned by your employee and boarded by you

Definitions

(continued)

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Personal Property Of Others

Personal property of others means personal property not owned by you and in your care, custody or control

Personal property of others does not include **personal property of employees**.

Pollutants

Pollutants means any solid, liquid, gaseous or thermal irritant or **contaminant**, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be disposed of, recycled, reconditioned or reclaimed

Raw Stock

Raw stock means **personal property** made up of material in the state in which you receive it for conversion into **finished stock**

Salespersons' Samples

Salespersons' samples means **personal property** that is in the custody of any one of your salespersons and used only for sample purposes

Securities

Securities means:

- all negotiable and non-negotiable instruments or contracts that represent either money or other property held by you in any capacity,
- revenue and other stamps in current use,
- tokens;
- tickets, and
- property of others that you hold as a pledge or as collateral for a loan

Securities does not mean **money**.

Specified Peril

Specified peril means:

- aircraft or self-propelled missiles;
- explosion,
- fire or lightning,
- leakage from fire protection equipment,
- mine subsidence;
- riot or civil commotion,
- sinkhole collapse;
- smoke,
- vandalism,



Personal Property In Transit

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Specified Peril
(continued)

- vehicles,
- volcanic action, or
- wind or hail

Stock

Stock means **personal property** consisting of

- goods held in storage or for sale,
- **raw stock**,
- **stock-in-process**,
- **finished stock**, and
- **merchandise**

including supplies used in their packing or shipping

Stock In Process

Stock in process means **raw stock** which has undergone any aging, seasoning, mechanical or other process of manufacture but which has not become **finished stock**

Valuable Papers

Valuable papers means valuable:

- papers, documents, records, negatives, transparencies,
- tapes of all types; and
- original plans, blueprints, specifications or designs

Valuable papers does not mean,

- **electronic data processing media**;
- **money**; or
- **securities**.

Property Insurance

Research And Development Property

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PROPERTY CONTRACT RESEARCH AND DEVELOPMENT PROPERTY

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Research And Development Property

Contract

Words and phrases that appear in **bold print** have special meanings and are defined in the definitions section of this contract

Throughout this contract the words "you" and "your" refer to the Named Insured shown in the Declarations of this policy. The words "we", "us" and "our" refer to the company providing this insurance.

Coverage

Research And Development Property

We will pay for direct physical loss or damage to **research and development property** caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit of Insurance for Research and Development Property shown in the Declarations

The loss or damage must occur at the premises shown in the Declarations, or within 1,000 feet of the premises shown in the Declarations, unless otherwise stated

Extensions Of Coverage

The following extensions of coverage are included under your coverage for **research and development property**, and are subject to the Limit of Insurance for Research and Development Property shown in the Declarations.

Additional Costs To Repair Or Replace

We will pay for the necessary and reasonable additional costs you incur to repair or replace research and development property that has been lost or damaged by a peril not otherwise excluded.

These additional costs are over and above the costs you normally would incur to

- enable you to meet the scheduled introduction date of any new product based on **research and development property**, or
- expedite the repair or replacement of **research and development property**

Removal

We will pay for

- any direct physical loss or damage to **research and development property** while being moved to or while stored at another location for up to 180 days, or
- the cost to remove **research and development property** from any premises

if you must move the **research and development property** from a premises to preserve it from loss or damage caused by or resulting from a peril not otherwise excluded

Additional Coverages

Unless otherwise stated, the following Additional Coverages are provided at each covered premises only if a Limit of Insurance for such Additional Coverages at each covered premises is shown in the Declarations

Debris Removal

We will pay for the costs you incur to demolish and remove debris of lost or damaged **research and development property** at the premises shown in the Declarations caused by or resulting from a peril not otherwise excluded that occurs during the policy period

Additional Coverages

*Debris Removal
(continued)*

Debris removal will be paid only if reported to us in writing within 180 days of the date of the direct physical loss or damage to **research and development property**

Debris removal does not apply to costs to

- clean-up or remove **pollutants** from land or water; or
- clean-up, remove, restore or replace polluted land or water

This Additional Coverage is provided regardless of whether a Limit of Insurance for Debris Removal is shown in the Declarations.

*Fire Department Service
Charges*

We will pay the charges you assume by contract or agreement executed prior to loss or charges that you are required to pay by local ordinance if the fire department is called to save or protect your **research and development property** from direct physical loss or damage caused by or resulting from a peril not otherwise excluded, not to exceed the Limit of Insurance for Fire Department Service Charges shown in the Declarations

Inventory Or Appraisals

We will pay for the cost of any inventory or appraisal that we require from you to determine the extent of direct physical loss or damage to **research and development property**, not to exceed the Limit of Insurance for Inventory or Appraisals shown in the Declarations.

*Research And
Development Property In
Transit*

We will pay for direct physical loss or damage to **research and development property** in transit, including registered shipments by mail caused by or resulting from a peril not otherwise excluded, not to exceed the Limit of Insurance for Transit shown under Research and Development Property in the Declarations

Exclusions

Acts Or Decisions

This insurance does not apply to loss or damage caused by or resulting from acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

This exclusion does not apply to ensuing loss or damage unless another exclusion applies

Dishonesty

This insurance does not apply to loss or damage caused by or resulting from fraudulent, dishonest, or criminal acts or omissions committed alone or in collusion with others by you, your partners, directors, trustees, and employees, or anyone authorized to act for you, or anyone to whom you have entrusted covered property for any purpose

This exclusion does not apply to

- acts of vandalism,
- acts committed by common carriers for hire or anyone claiming to be a common carrier for hire, or
- ensuing loss or damage unless another exclusion applies



Research And Development Property

Exclusions

(continued)

Governmental Action

This insurance does not apply to loss or damage caused by or resulting from seizure, confiscation, expropriation, nationalization or destruction of property by order of governmental authority, regardless of any other cause or event that directly or indirectly,

- contributes concurrently to,
- contributes in any sequence to; or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered

This exclusion does not apply to loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this insurance.

Nuclear Hazard

This insurance does not apply to loss or damage caused by or resulting from nuclear reaction or radiation, or radioactive contamination, regardless of any other cause or event that directly or indirectly

- contributes concurrently to,
- contributes in any sequence to, or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered

This exclusion does not apply to ensuing loss or damage caused by or resulting from fire.

Planning, Design, Materials Or Maintenance

This insurance does not apply to loss or damage (including the costs of correcting or making good) caused by or resulting from any faulty, inadequate or defective.

- planning, zoning, development, surveying, siting,
- design, specifications, plans, workmanship, repair, construction, renovation, remodeling, grading, compaction,
- materials used in repair, construction, renovation or remodeling; or
- maintenance,

of part or all of any property on or off the premises shown in the Declarations

This exclusion does not apply to ensuing loss or damage unless another exclusion applies

War And Military Action

This insurance does not apply to loss or damage caused by or resulting from.

- war, including undeclared or civil war,

Exclusions

War And Military Action (continued)

- 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
- insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these,

regardless of any other cause or event that directly or indirectly

- contributes concurrently to;
- contributes in any sequence to, or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered

Wear And Tear

This insurance does not apply to loss or damage caused by or resulting from wear and tear or gradual deterioration.

This exclusion does not apply to ensuing loss or damage unless another exclusion applies

Coverage Territory

The coverage territory is the United States of America, its territories and possessions, and territorial waters Canada and Puerto Rico

Limits Of Insurance

The most we will pay in any one occurrence is the amount of loss or damage, not to exceed the applicable Limit of Insurance shown in the Declarations, regardless of whether any Coverage, Extension of Coverage or Additional Coverage appears in any other contract or contracts which form a part of this policy

Deductible

We will pay the amount of loss or damage in excess of the applicable deductible amount shown in the Declarations for each occurrence

Except for any deductible for Business Income or Extra Expense shown in the Declarations, if two or more deductibles apply to the same occurrence, only the largest single deductible will apply, unless otherwise stated

Loss Payment Basis

Research and development property is valued on a replacement cost basis as described below unless otherwise stated under Loss Payment Basis Exceptions

Our Loss Payment Options

In the event of loss or damage covered by this insurance, at our option we will either

- pay the covered value of the lost or damaged **research and development property**,
- pay the cost of repairing or replacing the lost or damaged **research and development property**, plus any reduction in value of repaired items,



Research And Development Property

Loss Payment Basis

Our Loss Payment Options (continued)

- take all or any part of the **research and development property** at an agreed or appraised value, or
- repair or replace the **research and development property** with other **research and development property** of comparable material and quality for the same use

Replacement Cost Basis

Lost or damaged **research and development property** will be valued at the lesser of the full cost to repair or replace it, at the time of loss or damage, including customs duties incurred, but not more than you actually spend to repair or replace the **research and development property** for the same use. There is no deduction for depreciation or deterioration.

If the lost or damaged **research and development property** cannot be repaired, replaced, reproduced or duplicated, no payment will be made under this insurance.

Loss Payment Basis Exceptions

Research and Development Property Of Others

Research and development property not owned by you and in your care, custody or control is valued on the same basis as your **research and development property** (subject to all other exceptions described under Loss Payment Basis Exceptions), but we will not pay more than the amount for which you are legally liable.

When Production Of A Prototype Begins

When production of a new product begins, coverage under this contract ceases for

- the **prototype** of that product, and
- the research project directly associated with the new product

Conditions

Abandonment

There can be no abandonment of any **research and development property** to us unless we specifically agree to such abandonment in writing.

Loss Payable

For covered **research and development property** in which both you and a Loss Payee shown in the Declarations have an insurable interest, we will

- adjust losses with you, and
- pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear

Conditions*(continued)**Loss Payment*

- A. We will pay for covered direct physical loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this insurance; and
- 1 we have reached agreement with you on the amount of loss, or
 - 2 an appraisal award has been made
- B. We will not pay you more than your financial interest in the **research and development property**
- C. We may adjust losses with the owners of lost or damaged **research and development property** if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners **research and development property**. We will not pay the owners more than their financial interest in the **research and development property**.
- D. We may elect to defend you against suits arising from claims of owners of **research and development property**. We will do this at our expense.

Other Insurance

If you have other insurance against loss or damage covered by this policy, we shall not pay any amount greater than the proportion that the applicable Limit of Insurance shown in the Declarations bears to the total applicable Limits of Insurance covering the loss or damage.

This insurance is excess of any other insurance for **research and development property** not owned by you and in your care, custody or control.

Recovered Research and Development Property

If any lost or damaged **research and development property** is recovered by you or us after a loss payment is made, the party making the recovery must give the other party prompt notice.

When **research and development property** is recovered, you may:

- keep the recovered **research and development property** and return the loss payment to us, or
- keep the loss payment and we will keep the recovered **research and development property**

If any recovered **research and development property** has salvage value, or if there is any money recovered through subrogation, we will reimburse you, from the amount recovered, for:

- the deductible amount that was paid, and
- any uninsured loss resulting from an insufficient Limit of Insurance

If there are any expenses in recovering any lost or damaged **research and development property**, or through subrogation, we will share the expenses with you in proportion to the amount we are each reimbursed.

When any recovered **research and development property** that you choose to keep is in need of repair, we will pay for the repairs subject to the applicable Limit of Insurance shown in the Declarations.

»



Research And Development Property

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Contaminant

Contaminant means an impurity resulting from the mixture of or contact of a substance with a foreign substance

Money

Money means

- currency, coins, bank notes, or bullion, and
- travelers checks, registered checks, food stamps, and money orders held for sale to the public

Pollutants

Pollutants means any solid, liquid, gaseous or thermal irritant or **contaminant** including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be disposed of, recycled, reconditioned or reclaimed.

Prototype

Prototype means a first or original model of a new type of design

Research And Development Property

Research and development property means

- written, printed or inscribed documents, plans, records or formulas,
- processes or cultures and resulting products, samples or other materials produced by such processes or cultures, and
- **prototype,**

if produced and directly associated with your research and development operations.

Research and development property does not mean

- animals,
- **money** or **securities,**
- property held for sale or held for delivery after sale, or
- goods you have manufactured which are in their completed state and ready for sale

Securities

Securities means

- all negotiable and non-negotiable instruments or contracts that represent either money or other property held by you in any capacity,
- revenue and other stamps in current use,
- tokens,
- tickets, and
- property of others that you hold as a pledge or as collateral for a loan

Securities does not mean **money**

Property Insurance

Building Under Construction

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PROPERTY DAMAGE CONTRACT BUILDING UNDER CONSTRUCTION

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Building Under Construction

Contract

Words and phrases that appear in **bold** print have special meanings and are defined in the definitions section of this contract.

Throughout this contract the words "you" and "your" refer to the Named Insured shown in the Declarations of this policy. The words "we", "us" and "our" refer to the company providing this insurance.

Coverage

Building Under Construction

We will pay for direct physical loss or damage to your **building under construction** caused by or resulting from a peril not otherwise excluded not to exceed the Limit of Insurance for Building Under Construction shown in the Declarations.

The loss must occur at the premises shown in the Declarations, unless otherwise stated.

This coverage applies only at those premises for which a Limit of Insurance for Building Under Construction is shown in the Declarations.

Renovations Under Construction

We will pay for direct physical loss or damage to your **renovations under construction** caused by or resulting from a peril not otherwise excluded not to exceed the Limit of Insurance for Renovations Under Construction shown in the Declarations.

The loss must occur at the premises shown in the Declarations, unless otherwise stated.

This coverage applies only at those premises for which a Limit of Insurance for Renovations Under Construction is shown in the Declarations.

Rental Income And Soft Costs

We will pay the actual loss of **net rental income** and **soft costs** you incur due to a delay in the completion of any **building or renovations under construction** from the date the construction would have been completed had no loss occurred until the construction is completed, not to exceed the Limit of Insurance for Rental Income and Soft Costs shown in the Declarations.

The delay must be caused by or result from direct physical loss or damage to **building or renovations under construction** by a peril not otherwise excluded at the premises shown in the Declarations, unless otherwise stated.

You must make every effort to complete the construction on or as close to schedule as possible.

This coverage applies only at those premises for which a Limit of Insurance for Rental Income and Soft Costs is shown in the Declarations.

Extensions Of Coverage

The following extensions of coverage are included under your coverage for **building under construction** or **renovations under construction**, and are subject to the applicable Limit of Insurance for Building Under Construction or Renovations Under Construction shown in the Declarations.

Civil Authority

We will pay the **soft costs** and the loss of **net rental income** you incur when a civil authority prohibits access to the **building or renovations under construction**.

Extensions Of Coverage

*Civil Authority
(continued)*

This action must be caused by or result from direct physical loss or damage by a peril not otherwise excluded to property away from the **building or renovations under construction**.

This coverage is limited to 30 days from the time the Civil Authority prohibits access.

Removal

We will pay for

- any direct physical loss or damage to **personal property** while it is being moved to or while stored at another location for up to 180 days, or
- the cost to remove **personal property** from any premises,

if you must move the **personal property** from a premises to preserve it from loss or damage caused by or resulting from a peril not otherwise excluded

Additional Coverages

Unless otherwise stated, the following Additional Coverages are provided at each covered premises only if a Limit of Insurance for such Additional Coverages at each covered premises is shown in the Declarations

Debris Removal

We will pay for the costs you incur to demolish and remove debris of lost or damaged **building or renovations under construction** or lost or damaged **outdoor trees, shrubs, plants or lawns**, at the premises shown in the Declarations, caused by or resulting from a peril not otherwise excluded that occurs during the policy period

- A The most we will pay for debris removal is the lesser of
- 1 25% of the covered direct physical loss or damage; or
 - 2 the remaining applicable Limit of Insurance for Building Under Construction or Renovations Under Construction shown in the Declarations after payment of the covered direct physical loss or damage
- B If the amount in A above is insufficient to pay the debris removal, we will pay the remaining debris removal, subject to the Limit of Insurance for Debris Removal shown in the Declarations

We will also pay up to \$1,000 for the costs you incur at each premises to remove debris of outdoor trees, shrubs or plants that are blown onto your premises by wind

Debris removal will be paid only if

- reported to us in writing within 180 days of the date of the direct physical loss or damage to the **building or renovations under construction** or **outdoor trees, shrubs, plants or lawns**, and
- a Limit of Insurance applicable to the **building under construction, renovations under construction** or **outdoor trees, shrubs, plants or lawns** is shown in the Declarations.



Building Under Construction

Additional Coverages

*Debris Removal
(continued)*

Debris removal does not apply to costs to.

- clean-up or remove **pollutants** from land or water; or
- clean-up, remove, restore or replace polluted land or water

*Fire Department Service
Charges*

We will pay the charges you assume by contract or agreement executed prior to loss, or charges that you are required to pay by local ordinance if the fire department is called to save or protect your **building or renovations under construction** from direct physical loss or damage caused by or resulting from a peril not otherwise excluded, not to exceed the Limit of Insurance for Fire Department Service Charges shown in the Declarations.

Fire Protective Equipment

We will pay the cost you incur to refill your discharged fire protective equipment, whether or not there is direct physical loss or damage to your **building or renovations under construction**.
This Additional Coverage is provided regardless of whether a Limit of Insurance is shown in the Declarations

Inventory Or Appraisals

We will pay for the cost of any inventory or appraisal that we require from you to determine the extent of direct physical loss or damage to a **building or renovations under construction** or **outdoor trees, shrubs, plants or lawns**, not to exceed the Limit of Insurance for Inventory or Appraisals shown in the Declarations

*Outdoor Trees, Shrubs,
Plants Or Lawns*

We will pay for direct physical loss or damage to **outdoor trees, shrubs, plants or lawns** caused by or resulting from.

- fire,
- lightning,
- explosion,
- riot or civil commotion, or
- aircraft or self-propelled missiles,

not to exceed the Limit of Insurance stated in the Declarations for Outdoor Trees, Shrubs, Plants or Lawns

*Pollutant Clean Up Or
Removal*

We will pay the costs you incur to clean-up or remove **pollutants** from land or water at the premises shown in the Declarations if the discharge, dispersal, seepage, migration, release, or escape of the **pollutants** is caused by or results from a peril not otherwise excluded

The costs will be paid only if they are reported to us in writing within 180 days of the date the peril occurred which caused or resulted in the discharge, dispersal, seepage, migration, release or escape of the **pollutants**

Additional Coverages

Pollutant Clean Up Or Removal
(continued)

The Limit of Insurance shown in the Declarations for Pollutant Clean Up or Removal is the most we will pay at the premises for the sum of all such covered costs caused by or resulting from perils not otherwise excluded that occur during each separate 12 month policy period, regardless of whether this Additional Coverage appears in any other contract or contracts that form part of this policy.

We will not pay for the costs to test for, monitor, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **pollutants**, other than payment for testing which is performed during the clean-up or removal of the **pollutants** from the land or water.

When Coverage Ceases

This insurance will end when the first of the following occurs:

- A your interest in the **building or renovations under construction** ceases,
- B the **building or renovations under construction** is accepted by the buyer;
- C you abandon the construction with no intention to complete it;
- D unless we specify otherwise in writing.
 - 1 90 days after construction is complete; or
 - 2 when any **building under construction** is:
 - a occupied in whole or in part, or
 - b put to its intended use, or
- E this policy is terminated.

Exclusions

Acts Or Decisions

This insurance does not apply to loss or damage caused by or resulting from acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body
This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

Disappearance

This insurance does not apply to loss or damage caused by or resulting from disappearance or shortage disclosed on taking inventory, where there is no physical evidence to show what happened.
This exclusion does not apply to ensuing loss or damage unless another exclusion applies

Dishonesty

This insurance does not apply to loss or damage caused by or resulting from fraudulent, dishonest, or criminal acts or omissions committed alone or in collusion with others by you, your partners, directors, trustees, and employees, or by anyone authorized to act for you, or anyone to whom you have entrusted covered property for any purpose



Building Under Construction

Exclusions

Dishonesty (continued)

This exclusion does not apply to

- acts of vandalism;
- acts committed by common carriers for hire or anyone claiming to be a common carrier for hire; or
- ensuing loss or damage unless another exclusion applies.

Earthquake

This insurance does not apply to loss or damage caused by or resulting from earthquake, regardless of any other cause or event that directly or indirectly

- contributes concurrently to,
- contributes in any sequence to, or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

This exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**

Errors In Systems Programming

This insurance does not apply to loss or damage caused by or resulting from

- errors in systems programming, or
- errors in instructions to a machine

This exclusion does not apply to ensuing loss or damage unless another exclusion applies

Flood

This insurance does not apply to loss or damage caused by or resulting from:

- waves, tidal water or tidal waves, or
- rising or overflowing or breaking of any boundary,

of natural or man-made lakes, reservoirs, ponds, brooks, rivers, streams, harbors, oceans or any other body of water, or watercourse, whether driven by wind or not, regardless of any other cause or event that directly or indirectly

- contributes concurrently to
- contributes in any sequence to, or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered

This exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**

Exclusions

Government Action

This insurance does not apply to loss or damage caused by or resulting from seizure, confiscation, expropriation, nationalization or destruction of property by order of governmental authority, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to;
- contributes in any sequence to; or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

This exclusion does not apply to loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this insurance

Insects Or Animals

This insurance does not apply to loss or damage caused by or resulting from nesting or infestation by, or discharge or release of waste products or secretions of

- insects,
- birds,
- rodents, or
- other animals

This exclusion does not apply to ensuing loss or damage unless another exclusion applies

Loss Of Market

This insurance does not apply to loss or damage caused by or resulting from loss of market, loss of use or delay

This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

Mistakes

This insurance does not apply to loss or damage caused by or resulting from error in the development, distribution, processing, manufacturing, testing, installation, alteration or repair of property.

This exclusion does not apply to ensuing loss or damage unless another exclusion applies

Nuclear Hazard

This insurance does not apply to loss or damage caused by or resulting from nuclear reaction or radiation, or radioactive contamination, regardless of any other cause or event that directly or indirectly,

- contributes concurrently to,
- contributes in any sequence to, or
- worsens

the loss or damage, even if such other cause or event would otherwise be covered

This exclusion does not apply to ensuing loss or damage caused by or resulting from fire



Building Under Construction

Exclusions

Planning, Design, Materials Or Maintenance This insurance does not apply to loss or damage (including the costs of correcting or making good) caused by or resulting from any faulty, inadequate or defective:

- planning, zoning, development, surveying, siting,
- design, specifications, plans, workmanship, repair, construction, renovation, remodeling, grading, compaction,
- materials used in repair, construction, renovation or remodeling; or
- maintenance,
- of part or all of any property on or off the premises shown in the Declarations.

This exclusion does not apply to ensuing loss or damage unless another exclusion applies

Pollutants This insurance does not apply to loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of **pollutants**.

This exclusion does not apply:

- if the discharge, dispersal, seepage, migration, release or escape of **pollutants** is caused by or results from any of the **specified perils**, or
- to ensuing loss or damage caused by or resulting from a **specified peril**.

Settling This insurance does not apply to loss or damage caused by or resulting from settling, cracking, shrinking, bulging or expansion of paved or concrete surfaces, foundations, walls, floors, roofs, ceilings and swimming pools

This exclusion does not apply to ensuing loss or damage unless another exclusion applies

War And Military Action This insurance does not apply to loss or damage caused by or resulting from:

- war, including undeclared or civil war,
- 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
- insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these,

regardless of any other cause or event that directly or indirectly:

- contributes concurrently to,
- contributes in any sequence to; or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

Exclusions

Wear And Tear This insurance does not apply to loss or damage caused by or resulting from wear and tear or gradual deterioration.
This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

Coverage Territory The coverage territory is the United States of America, its territories and possessions, Canada, and Puerto Rico

Limits Of Insurance Except as provided under Pollutant Clean-Up or Removal, the most we will pay in any one occurrence is the amount of loss or damage, not to exceed the applicable Limit of Insurance shown in the Declarations, regardless of whether any Coverage, Extension of Coverage or Additional Coverage appears in any other contract or contracts which form a part of this policy

Deductible We will pay the amount of loss or damage in excess of the applicable deductible amount shown in the Declarations for each occurrence
Except for any deductible for Business Income or Extra Expense shown in the Declarations, if two or more deductibles apply to the same occurrence, only the largest single deductible will apply, unless otherwise stated

Loss Payment Basis Subject to the applicable Limit of Insurance for Building Under Construction or Renovations Under Construction shown in the Declarations

- A. **building or renovations under construction** is valued on a replacement cost basis as described below, unless
 1. the Loss Payment Basis shown in the Declarations is actual cash value, or
 2. otherwise stated under Loss Payment Basis Exceptions, and
- B. **building or renovations under construction** valuation includes costs you incur as described below under Ordinance or Law and Extended Warranties

Our Loss Payment Options In the event of loss or damage covered by this insurance, at our option we will either

- pay the covered value of the lost or damaged **building or renovations under construction**;
- pay the cost of repairing or replacing the lost or damaged **building or renovations under construction**, plus any reduction in value of the repaired item,
- take all or any part of the **building or renovations under construction** at an agreed or appraised value; or
- repair or replace the **building or renovations under construction** with another **building or renovations under construction** of comparable material and quality for the same use or occupancy



Building Under Construction

Loss Payment Basis

(continued)

Replacement Cost Basis

Lost or damaged **building or renovations under construction** will be valued at the lesser of the full cost to repair or replace it at the time of loss or damage, including customs duties incurred, but not more than you actually spend to repair or replace the **building or renovations under construction** at the same or another location for the same use or occupancy. There is no deduction for depreciation or deterioration.

If you do not repair or replace the **building or renovations under construction**, we will only pay as provided under Actual Cash Value Basis.

If you commence the repair or replacement of the lost or damaged **building or renovations under construction** within 24 months from the date of the loss or damage, we will pay you the difference between the actual cash value previously paid and the replacement cost at the time of loss or damage.

Actual Cash Value Basis

If the Loss Payment Basis shown in the Declarations is actual cash value, lost or damaged **building or renovations under construction** will be valued at the lesser of the full cost to repair or replace it on the date of loss or damage with material of like kind and quality, less allowance for each of the following:

- physical deterioration,
- depreciation
- obsolescence; and
- depletion

Ordinance Or Law

If there is an ordinance or law in effect at the time of loss or damage that regulates zoning, land use or construction of a **building or renovations under construction**, and if that ordinance or law affects the repair or replacement of the lost or damaged **building or renovations under construction**, and if you:

- A repair or replace the **building or renovations under construction** as soon as reasonably possible, the valuation will include:
1. a the replacement cost of the damaged and undamaged portions of the **building or renovations under construction**, or
 - b the actual cash value of the damaged and undamaged portions of the **building or renovations under construction** (if the applicable Loss Payment Basis shown in the Declarations is actual cash value),
 2. the costs to demolish and clear the site of the undamaged portion of the **building or renovations under construction**; and
 3. the increased cost to repair or replace the **building or renovations under construction** to the same general size to the minimum standards of such ordinance or law, except we will not pay any costs
 - a for land, water, paved or concrete surfaces, retaining walls, foundations or supports below the surface of the lowest floor or basement, unless specifically covered by this policy, or **outdoor trees, shrubs, plants or lawns**.

Loss Payment Basis

*Ordinance Or Law
(continued)*

- b incurred outside the legal property boundary of the premises shown in the Declarations, or
 - c if **building or renovations under construction** is valued on an actual cash value basis
- B do not repair or replace the **building or renovations under construction**, the valuation will include.
- 1 the actual cash value of the damaged and undamaged portions of the **building or renovations under construction**; and
 - 2 the cost to demolish and clear the site of the undamaged portion of the **building or renovations under construction**.

The maximum valuation we will consider under this provision is the proportion that the covered direct physical loss or damage to **building or renovations under construction** bears to the total direct physical loss or damage to **building or renovations under construction**

The valuation will not include any costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**

Extended Warranties

Personal property valuation includes the cost of non-refundable extended warranties, maintenance contracts or service contracts that you purchased, which are no longer valid on lost or damaged **personal property** that you repair or replace

*Outdoor Trees, Shrubs,
Plants Or Lawns*

Subject to the applicable Limit of Insurance for Outdoor Trees, Shrubs, Plants or Lawns shown in the Declarations, **outdoor trees, shrubs, plants or lawns** are valued on the same basis as **personal property** (subject to all other exceptions described under Loss Payment Basis Exceptions).

**Loss Payment Basis
Exceptions**

*Accounts Receivable
Records, Valuable Papers,
And Electronic Data
Processing Media*

Accounts receivable records, valuable papers, and electronic data processing media, (other than prepackaged software programs), are valued based on the cost of blank materials, and the cost of copying data onto blank materials from a duplicate source on the same type of materials

*Gold, Gold Salts And Other
Precious Metals*

Gold, gold salts and other precious metals are valued based on the average market cost for replacement as published by the London Metals Market during the period of 10 business days immediately preceding the date of loss or damage, or the actual sum you pay for replacement, whichever is less



Building Under Construction

Loss Payment Basis Exceptions

Personal Property Of Others

Personal property of others is valued on the same basis as **personal property** (subject to all other exceptions described under Loss Payment Basis Exceptions), but we will not pay more than the amount for which you are legally liable

Labor, materials and services that you furnish or arrange on **personal property of others** are valued based on the actual cost of the labor, materials and services

Loss Payment Limitations

We will not pay for any delay caused by or resulting from:

- adverse weather conditions;
- a reduction in work force due to economic conditions;
- improvements necessary to correct deficiencies in the original construction;
- interference by strikers or other persons;
- the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **pollutants**, or
- the suspension, lapse or cancellation of any license, lease, contract or order

Conditions

Abandonment

There can be no abandonment of any **building or renovations under construction** or **outdoor trees, shrubs, plants or lawns** to us unless we specifically agree to such abandonment in writing

Coinsurance

Coinsurance applies to **buildings or renovations under construction** only when a coinsurance percentage under Building Under Construction or Renovations Under Construction is shown in the Declarations

Coinsurance does not apply to

- **personal property** in transit;
- **building or renovations under construction** at any premises not shown in the Declarations, or
- any covered loss of \$10,000 or less

If coinsurance applies, our maximum loss payment will be determined as follows

- A determine the value of the covered **building or renovations under construction** at the time of loss or damage in accordance with the applicable Loss Payment Basis as provided under Loss Payment basis;
- B multiply the value determined in step A by the applicable coinsurance percentage shown in the Declarations;
- C divide the applicable Limit of Insurance for Building Under Construction or Renovations Under Construction by the amount determined in step B ;

Conditions
Coinsurance
(continued)

- D. multiply the total amount of the covered loss or damage, before the application of any deductible, by the amount determined in step C ; and
- E. subtract the deductible from the amount determined in step D

The amount determined in step D is the most we will pay for loss or damage, not to exceed the applicable Limit of Insurance for Building Under Construction or Renovations Under Construction shown in the Declarations

If coinsurance applies and the **building or renovations under construction** is valued on a replacement cost basis and if you do not repair or replace the **building or renovations under construction**, we will pay you the lesser of.

- the actual cash value of the lost or damaged **building or renovations under construction**, or
- the replacement cost of the lost or damaged **building or renovations under construction** after application of coinsurance

If you commence the repair or replacement of the lost or damaged **building or renovations under construction** within 24 months from the date of the loss or damage, and if the payment made above was on an actual cash value basis, then we will pay the difference between the previous payment and the replacement cost of the lost or damaged **building or renovations under construction** after the application of coinsurance

Coinsurance will apply to the total of all **buildings or renovations under construction** if one Limit of Insurance for Building Under Construction or Renovations Under Construction applies to

- more than one **buildings or renovations under construction**, or
- **buildings or renovations under construction** at one or more premises

If the application of coinsurance results in a penalty to you, you may reduce the penalty by changing the applicable Loss Payment Basis from a replacement cost basis to an actual cash value basis

Loss Payable

For covered **personal property** or **outdoor trees, shrubs, plants or lawns** in which both you and a Loss Payee shown in the Declarations have an insurable interest, we will.

- adjust losses with you; and
- pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear

Loss Payment

A. We will pay for covered direct physical loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this insurance, and:

1. we have reached agreement with you on the amount of loss, or
2. an appraisal award has been made.

B. We will not pay you more than your financial interest in the **building or renovations under construction** or **outdoor trees, shrubs, plants or lawns**



Building Under Construction

Conditions

Loss Payment (continued)

- C. We may adjust losses with the owners of lost or damaged **building or renovations under construction or outdoor trees, shrubs, plants or lawns** if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' **building or renovations under construction or outdoor trees, shrubs, plants or lawns**. We will not pay the owners more than their financial interest in such property.
- D. We may elect to defend you against suits arising from claims of owners of **building or renovations under construction or outdoor trees, shrubs, plants or lawns**. We will do this at our expense.

Mortgage Holder

We will pay for loss or damage to **building or renovations under construction** jointly to you and the mortgage holder shown in the Declarations, as interests may appear.

However, your mortgage holder has the right to receive loss payment, even though:

- you failed to comply with the terms of this insurance; or
- your mortgage holder starts foreclosure or similar actions on the **building or renovations under construction**.

If we make loss payments to your mortgage holder when you fail to comply with the terms of this insurance, you will have to pay us to the extent we pay the mortgage holder. Your mortgage holder will still have the right to receive the balance of the mortgage debt from you.

We also have the right to take over your mortgage after making loss payment to the mortgage holder. If we do, you will pay your remaining mortgage debt to us.

If you fail to pay your premium, we may request it from your mortgage holder.

The mortgage holder must notify us of any change in ownership known to the mortgage holder.

If we cancel this insurance, we will give written notice to the mortgage holder at least:

- 20 days before the effective date of cancellation if we cancel for your non-payment of premium; or
- 60 days before the effective date of cancellation, if we cancel for any other reason.

To satisfy the requirements of any mortgage holder shown in the Declarations, copies of policies, or certified copies of policies, may be sent to these mortgage holders. In no event are copies of policies sent to mortgage holders to be considered as increasing the Limits of Insurance shown in the Declarations or changing the terms of this insurance, nor are they to be considered duplicate or contributing insurance.

Other Insurance

If you have other insurance against loss or damage covered by this policy, we shall not pay any amount greater than the proportion that the applicable Limit of Insurance shown in the Declarations bears to the total applicable Limits of Insurance covering the loss or damage.

This insurance is excess of any other insurance for **personal property of others**.

Conditions*(continued)**Recovered Property*

If any lost or damaged **building or renovations under construction** or **outdoor trees, shrubs, plants or lawns** is recovered by you or us after a loss payment is made, the party making the recovery must give the other party prompt notice.

When **building or renovations under construction** or **outdoor trees, shrubs, plants or lawns** is recovered, you may:

- keep the recovered property and return the loss payment to us; or
- keep the loss payment and we will keep the recovered property

If any recovered property has salvage value, or if there is any money recovered through subrogation, we will reimburse you, from the amount recovered, for

- the deductible amount that was paid,
- the penalties you paid as a result of Coinsurance or the **personal property** reporting condition of this insurance, if applicable, and
- any uninsured loss or damage resulting from an insufficient Limit of Insurance.

If there are any expenses in recovering any lost or damaged **building or renovations under construction** or **outdoor trees, shrubs, plants or lawns**, or through subrogation, we will share the expenses with you in proportion to the amount we are each reimbursed

When any recovered **building or renovations under construction** or **outdoor trees, shrubs, plants or lawns** that you choose to keep is in need of repair, we will pay for the repairs subject to the applicable Limit of Insurance shown in the Declarations

Reporting

If the Declarations states that any **building or renovations under construction** is insured on a reporting basis, the following will apply:

A Report Of Values

Within 30 days after the end of each month, you will report to us the total completed contract price for all **buildings or renovations under construction** at risk under this insurance. Do not include the total completed contract price of either **buildings or renovations under construction** that have been completed and accepted by the owner or those in which your insurable interest ceased during that month. You may report the values separately for each premises or in total.

B Payment Of Premium

The premium will be paid monthly. The premium will be determined by multiplying the total completed contract price reported times the agreed monthly rate.

Note: If the Values you report exceed the Limit of Insurance we will

1. determine premium based on all the values you reported, and
2. not pay more than the Limit of Insurance applicable for the insured **building or renovations under construction** in the event of loss or damage



Building Under Construction

Conditions

*Reporting
(continued)*

- C Maximum Loss Payment
- Subject to the applicable Limit of Insurance for Building Under Construction or Renovations Under Construction shown in the Declarations, we will not pay a greater share of any loss or damage than the total completed contract price of all **buildings or renovations under construction** at risk last reported bears to the total completed contract price of all the **buildings or renovations under construction** on the date of the report.
- D Multiple Premises
- If the **buildings or renovations under construction** are insured with separate Limits of Insurance at more than one premises, at the time of loss, you may elect to have the maximum loss payment applied in either of 2 ways
- 1 at the premises where the loss occurred if you reported separate values for each premises, or
 - 2 to the total value of all **buildings or renovations under construction** values reported even if separate values were reported for each premises

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Building Under Construction

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Accounts Receivable Records

Accounts receivable records means accounting records, including support records such as invoices and accounting records on **electronic data processing media**, used to control and document the collection of money due from customers

Building

Building means:

- a structure,
- completed additions
- additions to the structure under construction,
- alterations and repairs to the structure,
- **personal property** consisting of materials, machinery, equipment, supplies, and temporary structures used for making additions, alterations, or repairs to the structure;
- outdoor fixtures,
- permanently installed fixtures, machinery, and equipment, and
- **personal property** used to maintain or service the structure or its premises

Building does not mean

- land,
- water,
- paved or concrete surfaces;
- retaining walls,
- foundations or supports below the surface of the lowest floor or basement, or
- **outdoor trees, shrubs, plants or lawns.**

Building Or Renovations Under Construction

Building or renovations under construction means,

- **buildings under construction**, or
- **renovations under construction**

Building Under Construction

Building under construction means

- A a structure in the course of construction; and
- B the following, if attached to the structure, intended to become a part of the structure, or within 1,000 feet of the premises shown in the Declarations where the structure is under construction
 - 1 foundations.
 - 2 indoor and outdoor equipment, signs, machinery, fixtures and **personal property** used to maintain or service the structure.

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Building Under Construction
(continued)

3 **personal property** consisting of building materials and supplies, including those in your care, custody or control.

a at a job site awaiting and during installation, or

b in transit to a job site; and

4 temporary structures built or assembled on site, including cribbing, scaffolding and construction forms, if not covered by other insurance

Building under construction does not mean

- land,
- water; or
- **outdoor trees, shrubs, plants or lawns.**

Contaminant

Contaminant means an impurity resulting from the mixture of or contact of a substance with a foreign substance

Electronic Data Processing Media

Electronic data processing media means:

- punch cards, tapes, discs, diskettes, drums, cells;
- other magnetic or optical recording or storage devices;
- the information recorded on this media; and
- the original source material used to enter data and/or program media.

Improvements And Betterments

Improvements and betterments means **personal property** comprised of fixtures, alterations, installations or additions

- made a part of the **building** you occupy but do not own; and
- you acquired or made at your expense but cannot legally remove.

Merchandise

Merchandise means goods held for sale by you which are not the products of manufacturing operations conducted by you

Money

Money means:

- currency, coins, bank notes, or bullion; and
- travelers checks, registered checks, food stamps, and money orders held for sale to the public

Net Rental Income

Net rental income means rental income less all costs that would have been incurred during the period of delay had there been no loss or damage



Building Under Construction

Definitions

(continued)

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Outdoor Trees, Shrubs, Plants or Lawns

Outdoor trees, shrubs, plants or lawns means outdoor trees, shrubs, plants or lawns you own on the premises shown in the Declarations

Outdoor trees, shrubs, plants or lawns does not mean

- outdoor trees, shrubs, plants or lawns that you hold for sale as **stock**, or
- growing crops

Patterns, Molds And Dies

Patterns, molds and dies means **personal property** consisting of patterns, molds, dies and other similar property usual to your business that are owned by you or in your care, custody or control.

Personal Property

Personal property means

- all your business personal property,
- business personal property in which you have an insurable interest:
- **patterns, molds and dies.**
- **personal property of others.**
- labor, materials and services furnished or arranged by you on **personal property of others;** and
- tenants **improvements and betterments**

Personal property does not mean

- **building.**
- land;
- water,
- growing crops,
- **outdoor trees, shrubs, plants or lawns,**
- vehicles or machines licensed for use on public roads,
- self-propelled watercraft in water,
- aircraft, except aircraft manufactured, processed, warehoused or held for sale while on the ground,
- **money or securities.**
- personal property sold under a conditional sale or trust agreement or an installment or deferred payment plan after delivery to customers, or
- animals, except animals owned by others and boarded by you or animals owned by you and held for sale

Definitions*(continued)***WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:***Personal Property Of Employees*

Personal property of employees means personal property owned or leased by your employee and in your care, custody or control

Personal property of employees does not mean

- **building,**
- land,
- water,
- growing crops,
- **outdoor trees, shrubs, plants or lawns;**
- vehicles or machines licensed for use on public roads,
- self-propelled watercraft in water;
- aircraft, except aircraft manufactured, processed, warehoused or held for sale while on the ground,
- **money or securities;**
- personal property sold under a conditional sale or trust agreement or an installment or deferred payment plan after delivery to customers; or
- animals, except animals owned by your employee and boarded by you

Personal Property Of Others

Personal property of others means personal property not owned by you and in your care, custody or control.

Personal property of others does not include **personal property of employees**

Pollutants

Pollutants means any solid, liquid, gaseous or thermal irritant or **contaminant**, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be disposed of, recycled, reconditioned or reclaimed.

Property

Property means:

- **building,** or
- **personal property**

Renovations Under Construction

Renovations under construction means additions, improvements, alterations or repairs to an existing **building**, including:

- A the following **property** located in the building, on premises, within 1,000 feet of the premises shown in the Declarations or while in transit to the premises shown in the Declarations if such **property** is intended to become a permanent part of the **building**



Building Under Construction

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Renovations Under Construction (continued)

1. fixtures, machinery and equipment used to service the **building**; and
 2. your building materials and supplies, or those in your care, custody or control, in the construction,
- B temporary structures built or assembled on the premises shown in the Declarations, including cribbing, scaffolding and construction forms, if not covered by other insurance.

Renovations under construction does not mean.

- **buildings** existing prior to the improvements, alterations or repairs; or
- **building under construction**

Securities

Securities means

- all negotiable and non-negotiable instruments or contracts that represent either money or other property held by you in any capacity,
- revenue and other stamps in current use,
- tokens,
- tickets, and
- property of others that you hold as a pledge or as collateral for a loan.

Securities does not mean **money**

Soft Costs

Soft costs means costs over and above the costs you would have incurred during construction work, including

- extra construction costs you incur to continue construction and meet contract dates,
- construction loan interest on money borrowed to finance construction,
- realty taxes and other assessments on the construction site accruing during a period of delay,
- architect, engineering and consultant fees;
- legal and accounting fees,
- insurance premiums,
- advertising and promotional expenses, and
- costs and commissions resulting from renegotiating leases

Specified Peril

Specified peril means

- aircraft or self-propelled missiles,
- explosion,
- fire or lightning;
- leakage from fire protection equipment.

Definitions WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Specified Peril
(continued)

- mine subsidence;
- riot or civil commotion;
- sinkhole collapse,
- smoke,
- vandalism;
- vehicles;
- volcanic action, or
- wind or hail

Valuable Papers

Valuable papers means valuable

- papers, documents, records, negatives, transparencies;
- tapes of all types, and
- original plans, blueprints, specifications or designs.

Valuable papers does not mean:

- **electronic data processing media;**
- **money,** or
- **securities**

Property Insurance

Common Property Conditions

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COMMON PROPERTY CONDITIONS

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Common Property Conditions

Contract

Common Property Conditions

The following Conditions apply to all Contracts contained within the Property Insurance Section of this policy, except Care, Custody or Control Legal Liability, if covered under this policy

Appraisal

If you and us do not agree on the amount of the loss or damage, either party may make a written demand for an appraisal of the loss or damage. In this event, you will select and pay a competent and impartial appraiser, and we will select and pay a competent and impartial appraiser. The two appraisers will select an umpire. If the appraisers cannot agree on an umpire, either may request that a judge of a court having jurisdiction make the selection. Each appraiser will separately state the value of the property and the amount of the loss or damage. If the appraisers do not agree, they will submit their statements to the umpire. Agreement by the umpire and either of the appraisers will be binding on you and us.

You and us will equally share any other appraisal costs and the costs of the umpire

If there is an appraisal, we will still retain our right to deny the claim.

Concealment Or Misrepresentation

This insurance is void if you or any other insured intentionally conceals or misrepresents any material fact or circumstance relating to this insurance at any time

Insured's Duties In The Event Of Loss Or Damage

You must see to it that the following are done in the event of loss or damage:

- Notify us, or one of our authorized representatives, as soon as possible, as to what occurred. Include a description of the property involved, the time and place of the loss or damage, and names and addresses of available witnesses. If there has been loss or damage that may result in a loss under any Business Income or Extra Expense Insurance, notify us by telephone or by telegraph at our expense
- Notify the police if a law may have been broken
- Take every reasonable step to protect the property from further damage, and keep a record of your expenses necessary to protect such property for consideration in the settlement of the property claim. This will not increase any Limit of Insurance. Also, if feasible, set such damaged property aside and in the best possible order for examination
- If you intend to continue your business you must resume all or part of your operations as quickly as possible
- File with us, or with our authorized representative, sworn proof of loss within 90 days after the date of loss or damage.
- Cooperate with us in the investigation, settlement or handling of any claim
- Authorize us to obtain records or reports necessary for our investigation.
- At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss or damage claimed
- As often as may be reasonably required, permit us to inspect the property and examine your books and records
- Permit us to take samples of the damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records

Common Property Conditions

Insured's Duties In The Event Of Loss Or Damage (continued)

- Permit us to examine any insured under oath, outside the presence of any other insured at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed

Failure of an agent or one of your employees, other than an officer, to notify us of any loss or damage that he knows about will not affect the insurance afforded you by this policy

Legal Action Against Us

No legal action may be brought against us:

- until there has been full compliance with all the terms of this insurance, and
- until the obligation of the insured has been determined by final judgment or we agree in writing to the amount of the obligation

No person or organization has any right under this insurance to bring us into any action to determine the liability of the Insured

Liberalization

If we adopt any changes

- within 45 days prior to the effective date shown in the Declarations, or
- during the policy period,

which could broaden this insurance without an additional premium charge, you will automatically receive the benefit of the broadened coverage

No Benefit To Carrier Or Bailee

No person or organization, other than you, having custody of covered property will benefit from this insurance.

Transfer Of Rights Of Recovery To Us

If any person to or for whom we make payment under this insurance has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair our rights.

You may waive your rights against another party in writing:

- A prior to direct physical loss or damage to insured property, or
- B after direct physical loss or damage to insured property only if, at the time of direct physical loss or damage, that party is one of the following:
 1. someone insured by this insurance;
 2. an individual who owns or controls the majority of capital stock of your business,
 3. related business firm majority-owned or controlled by you, or that owns or controls the majority of the capital stock of your business, or
 4. your tenant

This will not restrict your insurance

PROPERTY INSURANCE SECTION

Property Insurance Section

Endorsements



Property Insurance

International Endorsement

Policy Period APRIL 30, 1998 TO APRIL 30, 1999

Effective Date APRIL 30, 1998

Policy Number 3535-11-19

Insured NETSCAPE COMMUNICATIONS CORPORATION
(SEE NAMED INSURED ENDT)

Name of Company FEDERAL INSURANCE COMPANY

Date Issued SEPTEMBER 1, 1998

* * * * *

This Endorsement applies to the following forms

COMMON PROPERTY CONDITIONS

* * * * *

Under Common Property Conditions, and only for the purposes of Differences In Conditions and Excess Coverage, the following conditions are added

Common Property Conditions

Advances Or Reimbursements

For **covered loss or damage** that arises in a **non-admitted jurisdiction**, we will reimburse and, at our option, advance funds to you for our portion of the costs of investigation (including appraisals of property), defense or settlement. We will only make such advances or reimbursements in a jurisdiction that is mutually acceptable.

Bankruptcy, Liquidation, Insolvency Or Delay In Payment

When **covered loss or damage** is not paid or is only partially paid because

- the paying insurer is bankrupt, in liquidation or insolvent; or
- there has been a delay in payment for a period of more than 180 days,

you must submit a sworn proof of loss to us, even though you may have made a similar statement to the applicable insurer

Common Property Conditions*(continued)***Currency Provision**

We will pay for **covered loss or damage** in the same currency as that of the Limits Of Insurance shown in the Declarations of this policy.

At your request, when payment of **covered loss or damage** involves any currency other than that of the Limits Of Insurance shown in the Declarations of this policy, we will convert the value of the **covered loss or damage** to the currency of the Limits Of Insurance shown in the Declarations of this policy at the free rate of exchange as published in *The Wall Street Journal* in effect:

- on the date of **covered loss or damage**, for **covered loss or damage** to other than **money or securities**, or
- the date the **covered loss or damage** to **money or securities** is discovered

In converting to the currency of your choice our total payment for loss and conversion fees, based on the conversion rate on the date of loss, published by the Wall Street Journal, shall not exceed the limit of insurance shown in the Declarations. After we make any conversion from another currency, we will apply all other terms of this policy to determine the amount of our final loss obligation.

Excess Insurance

You may purchase excess insurance to specifically apply as excess of the Limits Of Insurance shown in the Declarations of this policy. However, this DIC/EXCESS coverage does not apply to any such insurance.

Failure To Effect Required Specific

- A You must give us reasonable prior written notice of any change to any insurance stated in any Required Specific endorsement made part of this policy. You must notify us regardless of whether you initiate or authorize any such change. However, your duty to notify us does not apply to the extent that any such change increases the Limits Of Insurance or provides additional coverage.
- B Except as provided in paragraph A above, we will only accept changes that we agree to in writing.
- C At the time of **covered loss or damage**, you must have in force any insurance stated in any Required Specific endorsement made part of this policy.
- D If, without our written agreement as required in B above, you do not have in force the insurance stated in any Required Specific endorsement made part of this policy, we will only provide Differences In Conditions and Excess coverage to the same extent as if you had such insurance.

Joint Duties In A Non-Admitted Jurisdiction

For **covered loss or damage** that arises in a **non-admitted jurisdiction**, we will consult with you. You must:

- make such investigation, defense or settlement as we deem reasonable,
- accept a settlement from us for **covered loss or damage**, and
- effect payments to others that we approve.



Property Insurance

International Endorsement

Effective Date APRIL 30, 1998

Policy Number 3535-11-19

Common Property Conditions

Joint Duties In A Non-Admitted Jurisdiction (continued)

We retain the right to assume control of any investigation, defense, settlement or recovery proceedings. You have the duty to cooperate with us in these proceedings.

Under Common Property Conditions, and only for the purposes of Differences In Conditions and Excess Coverage, Appraisal and Insured's Duties In The Event Of Loss Or Damage are deleted and replaced with the following:

Appraisal

If you and we do not agree on the amount of the **covered loss or damage**, either party may make a written demand for an appraisal of the **covered loss or damage**. In this event, you will select and pay a competent and impartial appraiser, and we will select and pay a competent and impartial appraiser. The two appraisers will select an umpire. If the appraisers cannot agree on an umpire, either may request that a judge of a court having jurisdiction make the selection. However, if the **covered loss or damage** occurs in a **non-admitted jurisdiction**, the court having jurisdiction must be a court in the state or province where you maintain your headquarters in the United States of America, Canada or Puerto Rico. Each appraiser will separately state the value of the property and the amount of the **covered loss or damage**. If the appraisers do not agree, they will submit their statements to the umpire. Agreement by the umpire and either of the appraisers will be binding on you and us.

You and we will equally share any other appraisal costs and the costs of the umpire.

If there is an appraisal, we will still retain our right to deny the claim.

Insured's Duties In The Event Of Loss Or Damage

You must see to it that the following are done in the event of loss or damage:

- Notify
 - a us,
 - b one of our authorized representatives,
 - c another member company of the Chubb Group of Insurance Companies, or
 - d any **authorized correspondent**,

as soon as possible, as to what occurred. Include a description of the property involved, the time and place of the loss or damage, and names and addresses of available witnesses. If there has been loss or damage that may result in a loss under any Business Income, Gross Profits or Extra Expense Insurance, notify a, b, c or d above by telephone or by telegraph at our expense.

**Common Property
Conditions**

*Insured's Duties In The
Event Of Loss Or Damage
(continued)*

Notice of loss or damage made to persons or organizations described in b, c, or d., above will be deemed to be notice to us under this policy, regardless of whether such notice is made under this policy or under any other insurance that is issued by

- 1 another member company of the Chubb Group of Insurance Companies,
2. any **authorized correspondent**; or
- 3 any insurer (other than stated in 1 or 2 above) providing coinsurance with 1. or 2. above

Notice to any other insurer, person or organization shall not be deemed notice to us.

- Notify the police if a law may have been broken.
- Take every reasonable step to protect the property from further damage, and keep a record of your expenses necessary to protect such property for consideration in the settlement of the property claim. This will not increase any Limit of Insurance. Also, if feasible, set such damaged property aside and in the best possible order for examination
- If you intend to continue your business you must resume all or part of your operations as quickly as possible
- File with us, or with our authorized representative, sworn proof of loss
- Cooperate with us in the investigation, settlement or handling of any claim.
- Authorize us to obtain records or reports necessary for our investigation
- At our request, give us complete inventories of the damaged and undamaged property Include quantities, costs, values and amount of loss or damage claimed
- As often as may be reasonably required, permit us to inspect the property and examine your books and records
- Permit us to take samples of the damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records
- Permit us to examine any insured under oath, outside the presence of any other insured at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed

Failure of an agent or one of your employees, other than an officer, to notify us of any loss or damage that he knows about will not affect the insurance afforded you by this policy

All other terms and conditions remain unchanged



Authorized Representative



Property Insurance

International Endorsement

Policy Period APRIL 30, 1998 TO APRIL 30, 1999
Effective Date APRIL 30, 1998
Policy Number 3535-11-19
Insured NETSCAPE COMMUNICATIONS CORPORATION
 (SEE NAMED INSURED ENDT)
Name of Company FEDERAL INSURANCE COMPANY
Date Issued SEPTEMBER 1, 1998

This Endorsement applies to the following forms

BUILDING AND PERSONAL PROPERTY
 BUSINESS INCOME (WITH EXTRA EXPENSE)
 ELECTRONIC DATA PROCESSING PROPERTY
 GROSS PROFITS WITH EXTRA EXPENSE
 RESEARCH AND DEVELOPMENT PROPERTY
 VALUABLE PAPERS

The following are added as a new section titled "DIC/Excess Coverage" and limits all Coverages, Extensions Of Coverage and Additional Coverages as follows

**Difference In
 Conditions/Excess
 Coverage**

Differences In Conditions We will pay for **covered loss or damage** that is not covered under any other insurance, subject to the Limits Of Insurance section of this endorsement

Excess We will pay for **covered loss or damage** that is also covered under any other insurance to the extent that

- the limits of insurance of any such insurance are insufficient to pay in full the **covered loss or damage**, or
- payment under any such insurance is payable but uncollectible because the insurer providing the insurance is bankrupt, in liquidation, insolvent or has delayed payment for a period of more than 180 days from the date you submitted a sworn proof of loss to such insurer, except to the extent that the **covered loss or damage** is also covered under any other insurance which
 - 1 any insurer (other than us, another member of the Chubb Group of Insurance Companies or any **authorized correspondent**) provides us coinsurer with us, another member of the Chubb Group of Insurance Companies or any **authorized correspondent**, or

Property Endorsement
(continued)

2 is stated in any Required Specific endorsement made part of this policy

We will pay only after the 180 day waiting period ends. During the waiting period, you must pursue the claim vigorously with the applicable insurer. You must reimburse us, unless we authorize otherwise, for any payment that we make as a result of such delay that is subsequently paid by the applicable insurer.

Subject to the Limits Of Insurance section of this endorsement, we will pay.

- 1 the amount of **covered loss or damage** that is excess of any amount paid under any other insurance, except as stated in 2 and 3 below,
- 2 the difference between the full amount of the **covered loss or damage** which would have been payable under this policy in the absence of any other insurance and the amount of **covered loss or damage** that is paid under any other insurance issued by
 - a. the Chubb Group of Insurance Companies,
 - b. any **authorized correspondent**, or
 - c. any insurer (other than stated in a or b. above) providing coinsurance with a. or b above, or
- 3 the difference between the full amount of the **covered loss or damage** which would have been payable under this policy in the absence of any other insurance and the amount of **covered loss or damage** that is paid or payable (even if uncollectible) under any insurance stated in any Required Specific endorsement made part of this policy

Under Additional Coverages, and only for the purposes of Differences In Conditions and Excess Coverage, the following is added.

Additional Coverages

Neighbors And Tenants Liability

We will pay for the loss or damage you become legally obligated to pay by reason of liability imposed by the articles of the Napoleonic code or similar civil or commercial codes because of damage for which you are liable

- as a tenant,
- when the consequences of such damage spread from your premises to the premises of neighbors and co-tenants, or
- as landlord, as a result of construction defects or lack of maintenance.

not to exceed the applicable Limits Of Insurance for Neighbors and Tenants Liability shown in the Declarations of this policy.

Only as respects Neighbors and Tenants Liability and except for the Limits Of Insurance.

- if you have any other neighbors and tenants liability insurance on an **admitted** basis, then the terms of that insurance are made part of this insurance. or



Property Insurance

International Endorsement

Effective Date APRIL 30, 1998

Policy Number 3535-11-19

- if you do not have any other neighbors and tenants liability insurance or you have other neighbors and tenants liability insurance on a non-admitted basis, then the terms of the broad-form neighbors and tenants liability coverage available as **admitted** insurance in the jurisdiction where the loss or damage occurs are made part of this insurance.

The Limits Of Insurance for Neighbors and Tenants Liability insurance shown in the Declarations of this policy will continue to apply exclusively, even if the compulsory limits of insurance for neighbors and tenants liability insurance would be greater than those available under this insurance.

Under Additional Coverages, and only for the purposes of Difference In Conditions and Excess Coverage, Deferred Payments is deleted

Deferred Payments

Under Exclusions, and only for the purposes of Differences In Conditions and Excess Coverage, the Governmental Action and War and Military Action Exclusions are deleted and replaced by the following

Exclusions

Governmental Action

This insurance does not apply to loss or damage caused by or resulting from seizure, confiscation, expropriation, nationalization or destruction of property by order of governmental authority, whether de jure or de facto, regardless of any other cause or event that directly or indirectly

- contributes concurrently to,
- contributes in any sequence to, or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered

This exclusion does not apply to loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this insurance

War And Military Action

This insurance does not apply to loss or damage caused by or resulting from

- war, including undeclared or civil war,
- 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

Property Endorsement

(continued)

- insurrection, rebellion, revolution, usurped power, or action taken by governmental authority, whether de jure or de facto, in hindering or defending against any of these,

regardless of any other cause or event that directly or indirectly:

- contributes concurrently to,
- contributes in any sequence to, or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered

Under Exclusions, and only for the purposes of Differences In Conditions and Excess Coverage, the following are added.

Imposed Sanctions, Embargoes Or Similar Prohibitions

This insurance does not apply to loss or damage to any property in, in transit to or from, or which passes through, any country on which either the United States government or Canadian government have imposed sanctions, embargoes, or any similar prohibitions.

Loss Advantage

This insurance does not apply to loss or damage sustained by one insured to the advantage of any other insured

Prohibited Or Illegal Goods

This insurance does not apply to loss or damage to contraband or other property in the course of illegal transportation of trade

Terrorism - United Kingdom

This insurance does not apply to loss or damage caused by or resulting from **terrorism** in the United Kingdom (including terrorism insured by the Pool Reinsurance Company Limited) committed by any person or persons acting individually or on behalf of or in connection with any organization, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to,
- contributes in any sequence to, or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

Waterborne Shipments

This insurance does not apply to loss or damage to property while in transit on a waterborne vessel including the loading and unloading of such property on such vessel

This exclusion does not apply to shipments of property contained in an over-the-road conveyance in transit by ferry