

## MISCELLANEOUS PROPERTY COVERAGE FORM SPECIAL

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

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

### A. COVERAGE

We will pay for loss to Covered Property from any of the Covered Causes of Loss.

1. **COVERED PROPERTY**, as used in this Coverage Form, means property scheduled in the Declarations either:
  - a. Owned by you; or
  - b. Property of others in your care, custody or control and for which you are liable.

2. **PROPERTY NOT COVERED**

Covered property does not include:

- a. Automobiles or similar conveyances;
- b. Plans, blueprints, mechanical drawings, designs, specifications or similar property;
- c. Underground property or property while located underground;
- d. Accounts, bills, currency, deeds, evidences of debt, money, notes, securities, jewelry, objects of art, or similar property;
- e. Contraband, or property in the course of illegal transportation or trade.

3. **COVERED CAUSES OF LOSS**

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS to Covered Property except those causes of loss listed in the Exclusions.

4. **ADDITIONAL COVERAGE - COLLAPSE**

We will pay for direct loss caused by or resulting from risks of direct physical loss involving collapse of all or part of a building or structure caused by one or more of the following:

- a. Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; breakage of glass; falling objects; weight of snow, ice or sleet; water damage; all only as covered in this Coverage Form;
- b. Hidden decay;
- c. Hidden insect or vermin damage;
- d. Weight of people or personal property;
- e. Weight of rain that collects on a roof;
- f. Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

This Additional Coverage does not increase the Limits of Insurance provided in this Coverage Form.

**B. EXCLUSIONS**

1. We will not pay for a loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.
  - a. **GOVERNMENTAL ACTION**  
Seizure or destruction of property by order of governmental authority.  
But we will pay for acts of destruction ordered by governmental authority and taken at the time of fire to prevent its spread if the fire would be covered under this Coverage Form.
  - b. **NUCLEAR HAZARD**
    - (1) Any weapon employing atomic fission or fusion; or
    - (2) Nuclear reaction or radiation or radioactive contamination from any other cause. But we will pay for direct loss caused by resulting fire if the fire would be covered under this Coverage Form.
  - c. **WAR AND MILITARY ACTION**
    - (1) War, including undeclared or civil war;
    - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
    - (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.
  - d. **WATER**  
Flood, surface water, waves, tidal waves, overflow of any body of water or spray, all whether driven by wind or not.  
But we will pay for direct loss caused by resulting fire, explosion or theft if these causes of loss would be covered under this Coverage Form.
2. We will not pay for a loss caused by or resulting from any of the following:
  - a. Unexplained disappearance;
  - b. Shortage found upon taking inventory;
  - c. Breakage, marring, chipping or scratching;  
But we will pay for such loss caused directly by fire, lightning, explosion, windstorm, hail, earthquake or by accident to the vehicle carrying the property.
  - d. Wear and tear, any quality in the property that caused it to damage or destroy itself, hidden or latent defect, gradual deterioration, insects, vermin, corrosion, rust, dampness, cold or heat (except as set forth above in 4. Additional Coverage - Collapse);
  - e. Mechanical breakdown or processing or work upon the property;  
But we will pay for direct loss caused by resulting fire or explosion if these causes of loss would be covered under this Coverage Form.
  - f. Dishonest or criminal acts by you, any of your partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
    - (1) Acting alone or in collusion with others; or
    - (2) Whether or not occurring during the hours of employment;This exclusion does not apply to acts of destruction by your employees, but theft by employees is not covered.

- g. Rough handling, improper stowage or insufficient packing;
- h. Artificially generated current creating a short circuit or other electrical disturbance within an article covered under this Coverage Form;

But we will pay for direct loss caused by resulting fire if the fire would be covered under this Coverage Form.

This exclusion only applies to loss to that article in which the disturbance occurs.

- i. Delay, or loss of market, loss of use, or interruption of business;
  - j. Words or other material being erased from or disarranged on tape, wire or other medium;
  - k. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense;
  - l. Unauthorized instructions to transfer property to any person or to any place.
3. We will not pay for a loss caused by or resulting from any of the following. But if loss by a Covered Cause of Loss results, we will pay for that resulting loss.
- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or even excluded in paragraph 1 above to produce the loss.
  - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
  - c. Faulty, inadequate or defective:
    - (1) Planning, zoning, development, surveying, siting;
    - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
    - (3) Materials used in repair, construction, renovation or remodeling; or
    - (4) Maintenance;  
of part or all of any property wherever located.
  - d. Collapse except as provided in the Additional Coverage - Collapse section of the Coverage Form.

**C. LIMIT OF INSURANCE**

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

**D. DEDUCTIBLE**

We will not pay for loss in any one occurrence until the amount of the adjusted loss before applying the applicable Limits of Insurance exceeds the deductible shown in the Declarations. We will then pay the amount of the adjusted loss in excess of the Deductible, up to the applicable Limit of Insurance.

**E. ADDITIONAL CONDITIONS**

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions.

**1. COVERAGE TERRITORY**

We cover property wherever located within:

- a. The United States of America;
- b. Puerto Rico; and
- c. Canada.

**2. COINSURANCE**

All covered property must be insured for at least its total value as of the time of loss times the coinsurance percentage shown in the Declarations or you will incur a penalty.

The penalty is that we will pay only the proportion of any loss that the Limit of Insurance shown in the Declarations for all Covered Property at all locations bears to the total value of the property at all locations as of the time of loss times by the coinsurance percentage shown in the Declarations.

F. **DEFINITIONS**

Loss means accidental loss or damage.

Certain words or terms underlined in this endorsement have special meaning and are defined either in the policy or in this endorsement.

## COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

### LOSS CONDITIONS

#### A. Abandonment

There can be no abandonment of any property to us.

#### B. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

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

#### C. Duties In The Event Of Loss

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

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and 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.
8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
10. Cooperate with us in the investigation or settlement of the claim.

#### D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

#### E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of the loss; or
- b. An appraisal award has been made.

6. We will not be liable for any part of a loss that has been paid or made good by others.

#### F. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

#### G. Pair, Sets Or Parts

##### 1. Pair Or Set

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

##### 2. Parts

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

#### H. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

#### I. Reinstatement Of Limit After Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

#### J. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Part 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 them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance; or
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you.

This will not restrict your insurance.

#### GENERAL CONDITIONS

##### A. Concealment, Misrepresentation Or Fraud

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

##### B. Control Of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

##### C. Legal Action Against Us

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

**D. No Benefit To Bailee**

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

**E. Policy Period, Coverage Territory**

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

**F. Valuation**

The value of property will be the least of the following amounts:

1. The actual cash value of that property;

2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.