IM441-1489 (12/16)
SPORTING AND HUNTING GUNS, ACCESSORIES, AND TROPHIES COVERAGE FORM - UPDATED 4/1/2024

Various provisions in this Policy restrict coverage. Please read this Policy carefully to determine rights, duties and to determine what is and what is not covered.

Throughout this contract, the words “you” and “your” refer to the Individual certificate holder of this policy. The words “we” and “us” and “our” refer to the company providing this insurance.

Other words and phrases have special meaning. Refer to the Definitions section to determine these special meanings.

The conditions and provisions of this coverage form supersede any similar conditions in the Conditions forms.

A. COVERAGE

We will pay for direct physical “Loss” to Covered Property caused by or resulting from any of the Covered Causes of Loss unless the “Loss” is excluded or subject to limitations.

1. Covered Property

a. Scheduled “Sporting and Hunting Guns” owned by “you” and described on “your” certificate.
b. Scheduled “Trophies” owned by “you” and described on “your” certificate.
c. Unscheduled “Sporting and Hunting Guns” and “Accessories” owned by “you” subject to the limit of insurance shown on “your” certificate.

2. Property Not Covered

a. Property owned by others;
b. Property while it is not at your “locations”.
c. Accounts, bills, deeds, evidences of debt or other valuable papers or records;
d. Aircraft, motor vehicles, trailers, semi-trailers or watercraft;
e. Furniture, fixtures, furnishings, office machinery or equipment, stationery and tenants’ improvements and betterments;
f. Jewelry, watches, ivory, fur garments or garments trimmed with fur, bullion, precious metals, precious or semiprecious stones or gems, or stamps or coins whose value exceeds face value. But this exclusion does not apply to “Sporting and Hunting Guns” inlaid with or decorated with precious metals, precious or semiprecious stones or gems;
g. Money, notes or securities;
h. Contraband or property in the course of illegal transport or trade;
i. Illegal weapons. Illegal weapons shall include firearms prohibited by any Federal, State, or local jurisdiction or regulatory agency;
j. Meat, organs or flesh of any “Game Animal”, unless such meat, flesh or organs have been permanently preserved such that they do not require refrigeration or maintenance in any preservation liquid.

3. Additional Coverages

This Coverage Form includes the following Additional Coverages. The limits indicated apply unless a different Limit of Insurance is shown on “your” certificate. If a different Limit of Insurance is shown, then that limit will apply.

Unless we indicate to the contrary, limits provided by the Additional Coverages listed below are in addition to the “Sporting and Hunting Guns”, “Accessories” or “Trophies” Limit of Insurance shown on the

certificate.

a. Additional Coverage – Firing of Gun

We pay for "Loss" to your "Sporting and Hunting Guns" caused by or resulting from the bending, bulging, twisting, cracking, breaking or blowing up of the barrel(s) of that property, which occurs when Covered Property is fired.

The most we pay in any one occurrence or in any annual policy period is $5,000.

b. Additional Coverage Debris Removal

Following a covered "Loss", we will pay your expenses to remove debris of property covered by this Coverage Form. The "Loss" must occur during the policy period. We will pay your debris removal expenses only if they are reported to us in writing within 180 days of the date of the direct physical "Loss". The most that we will pay is 25% of the amount that we pay for the direct physical "Loss", prior to the application of the policy deductible. Any payment is included within and will not increase the applicable Limit of Insurance.

However, when the debris removal expense is greater than the amount determined above, or when the sum of debris removal expense and the amount we pay for the direct physical "Loss" to Covered Property is greater than the applicable Limit of Insurance shown on the "Schedule of Coverages", we will pay up to an additional $10,000 for debris removal expense.

This Additional Coverage does not apply to expenses to:

1) Extract "Pollutants" from land or water; or

2) Remove, restore or replace polluted water or land.

.

c. Additional Coverage -- Extended Warranties Coverage

We pay the pro-rated cost, up to $1,000 in any one occurrence, for the unused portion of non-refundable extended warranties, maintenance contracts or service contracts that you purchased applicable to your "Sporting and Hunting Guns", which are no longer valid as a result of direct physical loss to your "Sporting and Hunting Guns" caused by or resulting from a Covered Cause of Loss. This coverage only applies if:

1) You include the cost of your extended warranty coverage to the value of covered property shown on the Schedule; and
2) You repair or replace covered property.

d. **Additional Coverage -- Fraud and Deceit**

We cover theft of covered property when you, your agents, or consignees are fraudulently induced to part with the covered property:

1) To persons who falsely represent themselves as the proper persons to receive the property;

2) By the acceptance of fraudulent bills of lading or shipping receipts; or
3) As a result of or directly related to the use of any electronic data processing hardware or software.

The most we pay in any one occurrence for **Fraud and Deceit Coverage** is $25,000.

In no event will this exceed the applicable limit for Covered Property.

e. Additional Coverage -- Limited Coverage -- "Fungus", Wet Rot, Dry Rot and Bacteria.

The coverage we provide for "Fungus", wet rot, dry rot and bacteria is limited. We will pay for direct physical loss to Covered Property caused by "Fungus", wet rot, dry rot or bacteria, including the cost of removal of the "fungus", wet rot, dry rot or bacteria.

We only provide the coverage when the "Fungus", wet rot, dry rot and bacteria is caused by or results from a "Specified Cause of Loss" other than fire, lightning or flood that occurs during the policy period.

At the time of "Loss" and following that occurrence, you must use all reasonable means to save and preserve the property from further damage.

This Additional Coverage does not apply to 'Trophies".

The maximum amount that we will pay under this limited coverage is $2,500.

f. Additional Coverage -- Insufficiency of Limits

In the event that your scheduled "Sporting and Hunting Guns" incur direct physical loss by a Covered Cause of Loss that results in a total loss and the applicable Limit of Insurance is not adequate to replace damaged property with similar property of like kind and quality and used for the same purpose, we will pay an additional Limit of Insurance. We will pay up to an additional **25%** of the scheduled Value, but in no event to exceed the Any One Occurrence Limit of Insurance indicated on the Certificate of Coverage

g. Additional Coverage -- Inventory or Appraisals:

We will pay those necessary and reasonable expenses that you incur at our direction to determine the amount of covered "Loss". But we do not cover any loss adjustment expenses that you incur for any of the following:

1) Payments to public adjusters or any other outside claims expense;
2) Payments to lawyers or any other legal fees;
3) Payments to insurance agents or brokers;
4) Any expenses incurred for an examination under oath, even if required by us;
5) Any expense incurred in accordance with the appraisal section of the **Commercial Inland Marine Conditions.** This provision does not apply to the extent that the Additional Coverage applicable to **Diminished Value** applies; or
6) Any expense that you incur to prove that a "Loss" is covered.

The most we will pay in any one occurrence for **Inventory or Appraisals** is $25,000.

This is the only coverage that applies to **Inventory or Appraisals**.

No deductible will apply to this Additional Coverage.

h. Additional Coverage -- Newly Acquired "Sporting and Hunting Guns"

1) We pay for direct physical “Loss” to “Sporting and Hunting Guns” acquired by you during the policy period, caused by a Covered Cause of Loss. Coverage applies until the first of the following occurs:

a) You report the newly acquired property to us;
b) 90 days pass from the date you acquire that property; or
c) This policy expires.

We will charge you additional premium for the reported values from the date you acquire the Property covered by this Additional Coverage. Such premiums are due immediately.

2) The most we pay for any “Loss” under this Additional Coverage is the least of the following:

a) The amount determined under the section applicable to **E. Valuation and Loss Payment**; or
b) $25,000.

i. Additional Coverage – Newly Acquired Trophies

1) We will pay for direct physical “Loss” to “Trophies” acquired by you during the policy period, caused by a Covered Cause of Loss. Coverage applies until the first of the following occurs:

a) You report the newly acquired property to us;
b) 30 days pass from the date you acquire that property
c) This policy expires.

We will charge you additional premium for the reported values from the date you acquire the property covered by this Additional Coverage. Such premiums are due immediately.

2) The most we pay for any “Loss” under this Additional Coverage is the least of the following:

i) Your acquisition costs; or
ii) $25,000.

j. Additional Coverage - “Sporting and Hunting Guns” and “Accessories” owned by others.

We will pay for direct physical “loss” to “Sporting and Hunting Guns” and “Accessories” owned by others in your care custody and control.

The most we will pay for this additional coverage is $25,000.

k. Additional Coverage – Preservation of Covered Property

If it becomes necessary to move Covered Property from the premises described on “your” certificate to preserve it from imminent “Loss” from a Covered Cause of Loss, we will pay reasonable expenses that you incur to move or store covered property. The most we will pay in any one occurrence for **Preservation of Covered Property** is $10,000. Subject to this sub-limit of insurance, we will provide up to 90 days of storage charges.

l. Additional Coverage -- Pollutant Clean Up and Removal

We will pay to extract “Pollutants” from land or water if the discharge, dispersal, seepage, migration, release or escape of “Pollutants” is caused by or results from a Covered Cause of Loss to Covered Property that occurs during the policy period. The expenses to extract “Pollutants” will only be paid if they are reported to us in writing within 180 days of the date of the covered “Loss”.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence,

concentration or effects of “Pollutants” in land or water. But we will pay for testing which is performed in the course of extracting the “Pollutants” from land or water.

The most we will pay under this Additional Coverage in any one policy period is $10,000

This is the only coverage that applies to **Pollutant Clean Up and Removal**.

m. Additional Coverage -- Reward Coverage

1) When we pay for loss to your Covered Property caused by theft or vandalism, we will reimburse you for any documented payments that you make to others as reward(s), provided these reward payments cause:

   a. The return of your stolen property to the custody of the police or a law enforcement agency; or
   b. The arrest and conviction of any person(s) committing the covered theft or vandalism loss.

2) We will not cover any reward payment you make to any of the following:

   a. You or any member of your family;
   b. Any member of the applicable law enforcement agency; or
   c. Any person involved in the crime.

The most we pay in any one occurrence is $2,500. You and we will determine the amount we will pay.

n. Additional coverage – Tax Stamps

When a covered gun owned by you incurs a total “Loss” by a Covered Cause of Loss, we will reimburse you for the necessary and reasonable expenses that you make to a governmental authority for tax stamps or federal stamps required for your legal ownership of that property. The most we pay for any one gun is $200 and the most we pay in any one occurrence is $1,000. This is a separate limit of insurance.

This Additional Coverage does not apply if property is not replaced. No deductible applies to this Additional Coverage.

o. Additional Coverage – “Sporting and Hunting Guns” and “Accessories” in transit or while not at “your” location

We will pay for “loss” to Covered Property while:
1) In transit; or
2) While temporarily not at your “locations”

The most we will pay for loss under this additional coverage is the least of the following;
1) the value of the covered property; or
2) $500,000

p. Additional Coverage – “Trophies” in transit or while not at “your” location

We will pay for “loss” to Covered Property while:
1) In transit; or
2) While temporarily not at your “locations”

The most we will pay for loss under this additional coverage is the least of the following;
1) The value of the covered property; or
2) $100,000

4. **Covered Causes of Loss**

Covered Cause of Loss means direct physical "Loss" caused by or resulting from any cause except those causes of "Loss" listed in the Exclusions section.

B. EXCLUSIONS

1. We will not pay for "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". These exclusions apply whether caused by any act of nature or otherwise caused.

a. Governmental Action.
Governmental action means any act of seizure, confiscation or destruction by order of any governmental authority. But we will pay for acts of destruction ordered by governmental action and taken at the time of a fire to prevent its spread if that fire would be covered under this Coverage Form.

b. Nuclear Hazard

Nuclear Hazard or radiation, or radioactive contamination, however caused.
But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

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 by governmental authority in hindering or defending against any of these.

d. Mold
Mold means "Fungus", wet rot, dry rot or bacteria. But we will pay when "Fungus," wet rot, dry rot or bacteria is caused by or results from fire or lightning **or flood.**

2. We will not pay for "Loss" caused by or resulting from any of the following:

a. Delay, loss of use, loss of market or any other consequential loss.

b. Unexplained disappearance.

c. Shortage found upon taking inventory.

d. Illegal or dishonest acts by:

1) You or your family members,
2) Any of your partners;
3) Your directors or trustees;
4) Your authorized representatives or employees; or
5) Anyone, other than a carrier for hire, to whom you have entrusted the Covered Property, including their employees, for any purpose:

a) Whether acting alone or in collusion with others; and

b) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees, but theft by your employees is not covered.

e. Discharge, dispersal, seepage, migration, release or escape of "Pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "Specified Cause of Loss".

But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "Specified Cause of Loss", we will pay for the damage caused by that "Specified Cause of Loss".

f. Firing of "Sporting and Hunting Guns".

3. We will not pay for loss caused by or resulting from any of the following. But if loss by a Covered Cause of Loss results, we will pay for the loss caused by that Covered Cause of Loss.

a. Wear and tear, depreciation or obsolescence.

b. Rust, corrosion, decay, deterioration, hidden or latent defect, inherent vice, or any quality or fault in the property that causes it to damage or destroy itself.

c. We will not pay to correct or make good any fault, inadequacy or defect of covered property.

We will also not pay for any loss to the property caused by or resulting from any fault, inadequacy or defect of the Covered Property.

d. Theft of Covered Property From a vehicle unless at the time of theft, there are signs that its windows, doors and compartments were closed and locked and there are visible signs that the theft was the result of forced entry.

This exclusion does not apply to property:

1) In the custody of a carrier for hire;
2) At a shooting event or gun range; or
3) When a signed police report is provided

e. Processing or work upon property. But we will pay for resulting fire or explosion.

g. Insects, vermin or animals.

h. Breakage or damage caused by chipping, scratching, and marring.

i. Voluntary parting with any property by you or anyone entrusted with the property.

j. rain, snow, sleet or dust to property in the open.

C. LIMITS OF INSURANCE

The most we pay for "Loss" in any one occurrence is the applicable Limit of Insurance shown on "your" certificate of coverage.

D. DEDUCTIBLE

We will not pay for "Loss" in any one occurrence until the amount of the covered "Loss" exceeds the applicable deductible shown on the Certificate of coverage. We will then pay the amount of the "Loss" in excess of the applicable deductible, up to the applicable Limit of Insurance.

E. VALUATION AND LOSS PAYMENT

The valuation provision found in the **Inland Marine General Conditions** is replaced by the following:

Covered Property will be valued as follows:

1) **Scheduled "Sporting and Hunting Guns" and "Trophies"– Stated Value –** the value of Scheduled "Sporting and Hunting Guns" and "trophies" will be based on the Limit of Insurance shown on the Certificate issued to you.

2) **Your Unscheduled "Sporting and Hunting Guns"and "Sporting and Hunting Guns" of others in your care custody and control—Fair Market Value—**the value of your Unscheduled "Sporting and Hunting Guns" and "Sporting and Hunting Guns" of others will be the reasonable cost to repair or replace with property of like, kind and quality of similar age and condition. If repair or replacement of property with like, kind, and quality and a similar age is not available, Fair Market Value will be the actual cost to repair or replace without deduction for depreciation.

3) **Your "Accessories" – Replacement Cost—**your "Accessories" will be valued at Replacement Cost. Replacement Cost, as used here, means the Replacement Cost of such property without a deduction for depreciation. Replacement Cost is limited to the cost of repair or replacement with similar materials and used for the same purpose. The payment will not exceed the amount "you" spend to repair or replace the damaged or destroyed property. Replacement Cost does not apply until damaged or destroyed property is repaired or replaced and such replacement occurs within 24 months of the date of "loss", instead "accessories" will be valued at Actual Cash Value. As used here, Actual Cash Value means the cost to repair or replace the damaged property with material of like kind and quality with a deduction for depreciation.

The following provisions apply to **Loss Payment.**

1) We will pay the least of the following amounts:

1)The amount indicated under **E. VALUATION**
2)The reasonable cost to repair or restore the property to its condition immediately before loss with deduction for applicable depreciation;
3)The necessary and reasonable amount you actually spend to restore or replace the damaged property;
4)The applicable Limit of Insurance.

Payment will be based on the amount of "loss" as of the time of "loss".

2) Diminished Value --

The **Appraisal** section of **LOSS CONDITIONS** of the **Commercial Inland Marine Conditions** does not apply to Diminished Value.

If we pay the cost to repair Scheduled "Sporting Guns and Hunting Guns", we will also pay the amount of diminished value to the repaired property. Diminished value means the reduced value of the property based on the difference between the fair market value at the time of loss and the fair market value of that property after the damage has been repaired.

This does not apply to any total “Loss”. The total amount that we pay for repairs to damaged “Sporting Guns and Hunting Guns” or “Accessories”, plus diminished value, if any, will in no event exceed the applicable Limit of Insurance.

F. ADDITIONAL CONDITIONS

1. Coverage Territory

Provision **E. 2. Coverage Territory** of **General Conditions** of the **Commercial Inland Marine Conditions** is deleted and is replaced by the following:

a. We insure “Trophies” located in:

1) The United States of America;
2) Puerto Rico; or
3) Canada.

b. We insure “Sporting Guns and Hunting Guns” and “Accessories” wherever located in the world.

2. **OFAC Restriction**

Whenever coverage provided by this policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC), such coverage shall be null and void, unless you have received prior approval for such shipment(s) from the Department of State of the United States of America.

3. **Death Clause**

If any person named on the certificate of coverage or the spouse, if a resident of the same household, dies, we insure the legal representative of the deceased but only with respect to the property of the deceased covered under the certificate of coverage at the time of death.

2. Recovered Property and Subrogation

If either you or we recover any property after loss settlement, that party must give the other prompt notice. We reserve the right to have the property returned to us. 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.

If there is any money recovered through subrogation for damaged property, we will reimburse you, from the amount recovered, for the applicable deductible paid by you.

Any other money recovered will inure solely to our benefit up to the amount of the payment made by us to you.

G. DEFINITIONS

1. “Accessories”, as used here, means only:

Stock and, grips, bayonets, flashlights that attach to a covered firearm; barrel mounted suppressors; sights, scopes, spotting scopes, magnified or non-magnified optics, red dot or reflex sights, holographic sights; lasers, other optics designed for aiming or sighting of firearms; slings, holsters, cases, or boxes designed for the carry or transport of firearms; bipods and tripods designed for the use with covered firearms; magazines, clips, links, or other devices designed for the feeding of ammunition into a covered firearm, shotgun chokes, sub-gauge tube sets, binoculars. Knives and reloading equipment

“Accessories” does not mean and does not include ammunition, communications equipment; tactical, sporting, or hunting apparel or vests; body or plate armor; cleaning supplies and equipment; prescription or safety eye glasses.

2. “Fire Suppression Equipment” means equipment that manually or automatically discharges water, inert gas, or chemicals for the purpose of stopping or controlling a fire. The equipment referred to by this definition may be hand-held fire extinguishing equipment, owned by you or owned by others; permanently installed automatic fire extinguishing system such as an operating automatic sprinkler system within the covered “Building or Structure”.

3. “Fungus” means: any type or form of fungus; mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungus; any type or form of algae or lichens.

4. “Game Animal” means a wild animal, mammal or bird hunted for sport. Fish are not “Game Animals”.

5. “location” means the interior portion of the building at the address shown on your certificate

6. “Loss” means: accidental loss or damage.

7. “Pollutants” means: any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes acids, alkalis, chemicals, asbestos, and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

8. “Sinkhole Collapse” means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite and similar rock formations. This cause of loss does not include the cost of filling sinkholes (except to the extent that such filling is required to repair Covered Property following a Covered Cause of Loss); or sinking or collapse of land into manmade underground cavities.

9. “Specified Causes of Loss” means any of the following:

Fire, lightning, explosion, windstorm or hail; smoke, aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; “Sinkhole Collapse”; volcanic action; falling objects; weight of snow, ice or sleet.

10. “Sporting and Hunting Guns” means handguns, rifles and shotguns; including historic, rare, or unique guns. Air Riffles.

11. “Trophy” or “Trophies” means the skin, pelt, skeleton or antlers of a “Game Animal” hunted and harvested by you and preserved and prepared by a taxidermist for the purposes of display.

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.

 © ISO Properties, Inc., 2003

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.

© ISO Properties, Inc., 2003

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.

© ISO Properties, Inc., 2003

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
   a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
   b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
   a. Make inspections and surveys at any time;
   b. Give you reports on the conditions we find; and
   c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
   a. Are safe or healthful; or
   b. Comply with laws, regulations, codes or standards.
3. Paragraphs **1.** and **2.** of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph **2.** of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

 Copyright, Insurance Services Office, Inc., 1998 □