



INLAND MARINE POLICY

AGREEMENT

The Definitions and General Policy Provisions, together with the Declarations Page, Supplemental Declarations Page (if any), Coverage Section and Endorsements (if any) made a part of the policy make up **your** policy. It is **our** agreement with **you** and it is a legal contract.

PLEASE READ **YOUR** ENTIRE POLICY CAREFULLY!

DEFINITIONS

We have tried to make this policy as easy to read as possible. but a few of the **terms** need to be defined.

You and **your** refer to the person or entity named as **insured** on the Declarations Page. If **you** die, **your** protection passes to **your** legal representative or other person having proper, temporary custody of covered property. However, this person or **your** legal representative is an **insured** only with respect to insurance on covered property or similar property acquired by **your** estate after **your** death.

Insured means the person or entity named as **insured** on the Declarations Page.

We, us, and our refer to the insurance company.

Terms as used in this policy mean provisions, limitations, exclusions and definitions.

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GENERAL POLICY PROVISIONS

TYPES OF LOSSES NOT COVERED

We do not pay for any loss resulting directly or indirectly from:

- Wear and tear, gradual deterioration, insects, vermin or inherent vice.
- War. This means undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, or destruction, seizure or use of property for a military purpose. It includes any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.
- Nuclear hazard. This means loss caused by nuclear reaction, nuclear radiation or radioactive contamination (whether controlled or uncontrolled and whether caused by, contributed to or aggravated by any peril insured against by this policy). Loss caused by nuclear hazard shall not be considered loss caused by fire explosion or smoke. However, if the fire peril is covered by this policy, direct loss by fire resulting from the nuclear hazard is covered.

Read **your** entire policy carefully for other applicable exclusions or limitations.

WHAT MUST BE DONE IN CASE OF LOSS

In case of loss to property covered, an **insured** must:

a. **Protect the property.**

Take all reasonable steps to protect covered property at and after an insured loss to avoid further damage.

We pay for repairs which are reasonable and necessary to protect the property from further damage, provided the **insured** keeps an accurate record of such expenses. These payments do not increase the limit of liability otherwise applicable to the loss.

b. **Notice.**

In case of a loss or if an **insured** becomes aware of anything that indicates there might be a claim under this policy, **you** must:

- Promptly give **us** or **our** agent notice (in writing if requested);
- notify the police when the act causing the loss is also a violation of law.

c. **Send us a Proof of Loss.**

Submit to **us** a Proof of Loss (under oath if requested) within 90 days after the loss is discovered. The Proof of Loss must include:

- the time, place and circumstances of the loss;
- the price and date of purchase of the property;
- the current actual cash value and a complete description of the articles involved;
- receipts, appraisals or other proof of ownership or value;
- information about any lien on the property and who holds it; and
- information about any other insurance on the property.

d. **Additional duties.**

At **our** request, the **insured** must also:

- submit to examination under oath in matters connected with the loss or claim as often as **we** reasonably request;
- assist **us** in obtaining the attendance of employees or others for examination under oath in matters connected with the loss or claim as often as **we** reasonably request;
- exhibit damaged and undamaged property as often as **we** reasonably request;
- produce records, including tax returns and bank microfilms of all canceled checks, relating to value, loss and expenses and permit copies and extracts to be made of them as often as **we** reasonably request;
- assist in enforcing any right of recovery which the **insured** may have against any party causing the loss.

e. **Not abandon the property.**

An **insured** may not abandon the covered property to **us** unless **we** specifically agree.

HOW MUCH WE PAY FOR LOSS OR CLAIM

Claim settlement.

Unless otherwise stated, the limit(s) of insurance shown in this policy is not the agreed value of the covered property.

Claims are settled on the basis of actual cash value at the time of loss. **We** pay the least of the following amounts.

- a. the actual cash value of the property at the time of the loss, based on a reduction for depreciation.
- b. the cost to repair it to its condition immediately prior to the loss.
- c. the cost to replace it with property of equivalent kind and quality to the extent practicable.
- d. the applicable limit of liability.

We have the option to: (1) pay the loss in money; or (2) repair, replace or rebuild the property with equivalent kind and quality, to the extent practicable, within a reasonable time. **We** must give the **insured** notice of **our** intent to repair, replace or rebuild within 60 days after receipt of a duly executed Proof of Loss.

We may take all or part of the property at the agreed or appraised value. Any property paid for or replaced shall become **our** property.

Loss to pairs or sets.

If there is a loss to an article which is part of a pair or set, **we** are only liable for a reasonable proportion of the actual cash value of the entire pair or set. The loss is not considered a total loss of the pair or set.

Loss to parts.

If there is a loss to any part of an item which consists of several parts when complete, **we** are only liable for the actual cash value of the part. The loss is not considered a total loss of the item.

Claim payment.

Payment of a claim does not reduce the limit of liability unless **we** pay a total loss on a scheduled article(s). **We** will refund the unearned premium for the article(s) after the loss. Or, **you** may apply it to the premium due for the replacement of insurance for a replacement article(s).

We will pay an insured loss within 60 days after a satisfactory Proof of Loss is received and the amount of the claim has been established.

We will not pay for a loss if an **insured** is paid for the loss by someone else.

Other Insurance.

If there is other valid and collectable insurance which applies to a loss or claim, or would have applied in the absence of this policy, the insurance under this policy shall be considered excess insurance. It SHALL NOT APPLY or contribute to the payment of any loss or claim until the amount of such other insurance is exhausted.

Claims against others.

- a. If *we* make a payment under this policy, *we* may require that the *insured* assign to *us* his or her right of recovery against any person for the loss to the extent of the payment. The *insured* must do everything necessary to make this assignment and secure *our* rights.
- b. *We* are not liable for any loss if an *insured* does anything after the loss occurs to impair *our* right to recover. *You* may waive *your* right of recovery in writing before a loss occurs without voiding the coverage.

WHAT HAPPENS IF YOU AND WE DISAGREE

Appraisal.

If *you* and *we* do not agree on the cost to repair or replace, actual cash value of, or amount of loss to covered property when loss occurs, either party may demand that these amounts be determined by appraisal.

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

The appraisers will then determine the amount of the damage stating separately, in detail: the cost to repair or replace, actual cash value of, and amount of loss to each item. If the appraisers submit a written report of any agreement to *us*, the amount agreed upon will be the amount of the damage or value. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three sets the cost to repair or replace, actual cash value of and amount of loss to each item. Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by *you* and *us*.

Suit against us.

No *suit* to recover for any property claim may be brought against *us* unless:

- a. the *terms* of this policy have been fully complied with; and
- b. the *suit* is commenced within 1 year after the loss. If any law of the state where the premises described in the Declarations Page are located makes this limitation invalid, then the *suit* must begin within the shortest period permitted by law.

OTHER PROVISIONS

Conformity with statute.

Terms of this policy, in conflict with the statutes of the state where the premises described in the Declarations Page are located, are amended to conform to such statutes.

Misrepresentation, concealment or fraud.

This entire policy is void if, whether before or after a loss:

- a. An *insured* has willfully concealed or misrepresented:
 - 1) any material fact or circumstance concerning this insurance; or
 - 2) an *insured's* interest herein.
- b. There has been fraud or false swearing by an *insured* regarding any matter relating to this insurance or the subject thereof.

Change, modifications, or waiver of policy terms.

A waiver or change of any *terms* of this policy must be issued by *us* in writing to be valid. *Our* request for an appraisal or examination under oath does not waive any of *our* rights.

If this policy is issued on a continuous basis (with no specified expiration date) *we* may substitute or add, upon any anniversary date, forms or endorsements which are authorized for use on this policy in accordance with *our* rules in effect at the time.

Liberalization clause.

If **we** adopt any revision of forms or endorsements during the term of this policy which would broaden coverage under this policy without additional premium, the broadened coverage will automatically apply to this policy. This also applies if **we** adopt the revision within the 60 days before **your** policy goes into effect.

Insurance not to benefit others.

We do not provide coverage under this policy for the benefit of anyone having **your** property and charging a fee for their services.

CANCELLING THIS POLICY

If you cancel.

- a. **You** may cancel this policy at any time by giving **us** written notice or returning the policy to **us** and stating when thereafter the cancellation is to be effective.
- b. If **you** cancel this policy, the unearned premium will be refunded calculated on a pro rata basis.

If we cancel.

- a. **We** may cancel this policy at any time by giving **you** written notice at least 10 days before cancellation is effective. The notice will be delivered to or mailed to **you** at the mailing address shown on the Declarations Page. Proof of delivery or mailing is sufficient proof of notice.
- b. If **we** cancel this policy, the unearned premium will be refunded calculated on a pro rata basis.

Refund of premium.

Payment or tender of unearned premium is not a condition of cancellation. If the unearned premium is not refunded with the cancellation notice, it will be sent to **you** within a reasonable time.