

IM PAK[®] COVERAGE FORM

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.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F - DEFINITIONS.

A. COVERAGE

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

1. Covered Property

Covered Property, as used in this Coverage Part, means "Scheduled Property".

2. Covered Causes of Loss

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

3. Coverage Extensions

We will pay for "loss" from a Covered Cause of Loss for each of the following Coverage Extensions:

a. Newly Acquired "Fine Arts"

If during the policy period you acquire a financial interest in "Fine Arts" we will cover the property for up to 90 days. You will report the property within 90 days from the date acquired and will pay any additional premium due. If you do not report the new property, we will not pay for "loss" to the new property.

The most we will pay in any one "loss" under this Coverage Extension is the actual cash value of the items, but not more than 25% of the Total Limit of Insurance for "Fine Arts".

b. Preservation of Property "Fine Arts"

If it is necessary to move "Fine Arts" from any location described in the Declarations in order to preserve it from "loss" by a Covered Cause of Loss, we will pay for any direct physical "loss" to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the "loss" occurs within 30 days after the property is first moved.

The amount payable under this Coverage Extension is included within the Limits of Insurance applicable to the location from which the property was moved. The Limit of Insurance applicable to Property in Transit does not apply to this Coverage Extension.

c. Fire Protective Systems

If your fire protective equipment discharges accidentally or to control a Covered Cause of Loss, we will pay for your expense to:

- (1) Recharge or refill your fire protective systems; and
- (2) Replace or repair faulty valves or controls which caused the discharge.

The most we will pay in any one "loss" under this extension is \$75,000.

d. Valuable Papers and Records

We will pay your costs to research, replace, or restore lost or damaged valuable papers and records, including those which are on computer software, for which there are no duplicates. The most we will pay for "loss" to this property is \$50,000.

But we will not pay for "loss" to accounts, bills, deeds, evidences of debt, currency, money, notes or securities.

4. Additional Coverages**a. Debris Removal**

- (1) We will pay for your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of the "loss".
- (2) The most we will pay under this Additional Coverage is 25% of the amount we pay for direct "loss" to Covered Property plus the deductible in this Coverage Part applicable to that "loss". Any payment will not increase the applicable Limit of Insurance. But, if the debris removal expense exceeds the amount calculated above, or if the sum of our payments for direct "loss" and debris removal exceeds the applicable Limit of Insurance shown elsewhere in this Coverage Part, we will pay up to \$75,000 in any one occurrence as an additional amount of insurance.
- (3) We will not pay for your expense to extract "pollutants" from land or water, or to remove, restore, or replace polluted land or water under this Additional Coverage.

b. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 for your liability for Fire Department Service Charges:

- (1) Assumed by contract or agreement prior to "loss"; or
- (2) Required by local ordinance.

No deductible applies to this Additional Coverage.

c. Pollutant Clean Up and Removal

- (1) We will pay your expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss to Covered Property that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of the "loss".
- (2) This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.
- (3) The most we will pay under this Additional Coverage is \$25,000 for the sum of all such expenses arising out of Covered Cause of Loss to Covered Property occurring during each separate 12 month period of this policy.

d. Inventory, Appraisals, and Loss Adjustment Expenses

We will pay the reasonable expenses you incur at our request to assist us in determination of the amount of the covered "loss", including the extra wages necessarily incurred by your employees for preparing inventories and other "loss" information for completion of your proof of "loss".

But we will not pay for:

- (1) Expenses to prove that the "loss" is covered;
- (2) Expenses incurred under the Appraisal section of the Commercial Inland Marine Conditions;
- (3) Expenses incurred for examinations under oath, even if required by us;
- (4) Expenses incurred for public adjusters or any legal fees.

The most we will pay for "loss" under this Additional Coverage is \$5,000.

e. Reward Coverage

We will reimburse you for reward(s) expense you have incurred leading to:

- (1) The successful return of undamaged stolen articles to a law enforcement agency; or
- (2) The arrest and conviction of any person(s) who have damaged or stolen any Covered Property.

We will pay 25% of the covered loss, prior to the application of any Deductible and recovery, up to a maximum of \$2,500 in any one occurrence for the reward payments you make. These reward payments must be documented. The amount payable is in addition to the Limits of Insurance shown in the Declarations.

No Deductible applies to this Additional Coverage.

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".

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 a fire to prevent its spread, if the fire would be covered under this policy.

b. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if "loss" by fire results, we will pay for the resulting "loss".

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.

2. We will not pay for "loss" caused by or resulting from any of the following:**a. Dishonest or criminal acts by you, any of your partners, directors, trustees or officers:**

- (1) Acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.

b. Shortage found when taking inventory.**c. 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 causes of loss". But if "loss" by any of the "specified causes of loss" results, we will pay for that resulting "loss" caused by the "specified causes of loss".****a. Programming errors, including but not limited to:**

- (1) The inability of Covered Property to correctly recognize, process, distinguish, interpret or accept dates, times or other data; or
- (2) Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems due to the inability of Covered Property to correctly recognize, process, distinguish, interpret or accept dates times or other data.

But if "loss" by "specified causes of loss" results, we will pay for that resulting "loss".

We will not pay for repair, replacement or modification of Covered Property to correct any deficiencies or change any features.

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 that resulting "loss".
 - a. Hidden or latent defect, or any quality in the property that causes it to damage or destroy itself.
 - b. Wear and tear, gradual deterioration.
 - c. Faulty packing.

C. LIMITS OF INSURANCE

The most we will pay for "loss" in any one occurrence is the applicable Limit of Insurance shown in the Declarations. But in the event coverage for "loss" is provided under the Coverage Extensions or Additional Coverages, the Limits of Insurance stated within the specific Coverage Extension or Additional Coverage will apply as additional amounts of insurance, unless otherwise stated within the Coverage Extension or Additional Coverage.

If a title for a Limit of Insurance appears in quotations in the Declarations, that limit has a special meaning and may act to reduce or eliminate coverage under some circumstances. Refer to Section F - Definitions.

D. DEDUCTIBLE

We will not pay for "loss" in any one occurrence until the amount of the adjusted "loss" exceeds the applicable 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.

If a title for a Deductible appears in quotations in the Declarations, that Deductible has a special meaning and may act to reduce or eliminate coverage under some circumstances. Refer to Section F - Definitions.

E. ADDITIONAL COVERAGE CONDITIONS

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

1. Where Coverage Applies

We cover property that is in:

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

But we do not cover property in transit to or from Hawaii or Puerto Rico.

2. Valuation

The value for each item is agreed to be the amount shown for that item in the Declarations.

3. Pair, Sets or Parts

Loss Condition G. Pair, Sets or Parts in the Commercial Inland Conditions is replaced by the following:

- a. In case of a total "loss" of any item that are part of a pair or set that is individually listed and described in the Declaration, we will pay the full Limit of Insurance shown in the Declarations for that pair or set. You will surrender to us the remaining items of the pair or set.
- b. In case of "loss" to any part of a pair or set that is not individually listed and described in the Declarations, we may:
 - (1) Repair or replace any part to restore the pair or set to its value before the "loss"; or
 - (2) Pay the difference between the value of the pair or set before and after the "loss".

F. DEFINITIONS

1. "Basic Deductible" means the Deductible applicable in any one occurrence of "loss" unless a more specific Deductible for the applicable Covered Cause of Loss is shown in the Declarations or elsewhere in the policy.
2. "Fine Arts" means private commercial collections of bona fide works of art of rarity, historical value or artistic merit.
 "Fine Arts" does not mean contraband, or property in the course of illegal transportation or trade.
3. "Loss" means accidental loss or damage.
4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. "Scheduled Property" means:

"Fine Arts"

as listed in the Declarations.
6. "Sinkhole collapse" means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. "Sinkhole collapse" does not mean the cost of filling sinkholes or the sinking or collapse of land into man-made underground cavities.
7. "Specified causes of loss" means 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; "water damage".
 - a. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure or personal property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
 - b. "Water damage" means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.
8. "Volcanic action" means direct "loss" resulting from the eruption of a volcano when the "loss" is caused by:

- a. Airborne volcanic blast or airborne shock waves;
- b. Ash, dust or particulate matter; or
- c. Lava flow.

"Volcanic action" does not mean the cost to remove ash, dust or particles that do not cause direct physical loss or damage.

All volcanic eruptions that occur within any 168 - hour period will constitute a single occurrence.

SAMPLE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

"SCHEDULED PROPERTY" - COLLECTORS

This endorsement modifies insurance provided under the following:

IM PAK COVERAGE FORM

A. The following are added to Section B - EXCLUSIONS, Part 1 and Part 2:

Part 2. e. We will not pay for loss" caused by or resulting from shipments by mail whether by parcel post or delivery/courier services such as Fed Ex, DHL, United Parcel Service or other similar service.

Part 3. d. Fading, creasing, tearing, scratching, thinning, transfer of colors, any quality in the property that causes it to damage or destroy itself, dampness, extremes of temperature, insects, vermin and damage sustained from handling or while being actually worked upon.

B. Section E. ADDITIONAL COVERAGE CONDITIONS 3. Valuation is deleted and replaced with the following:

3. Valuation

In the event of "loss", the value of your Covered Property as of the time of "loss" will be the least of the following amounts:

- a. The fair market value of that property;
- b. The cost of reasonably restoring that property to its condition immediately before "loss";
- c. The cost of replacing that property with substantially identical property;
- d. The amount for which you are liable;

C. Section F. DEFINITIONS Paragraph 4. "Scheduled Property" is deleted and replaced as follows:

4. "Scheduled Property" means items indicated by X below:

— Your Sports Memorabilia Property, and similar property of others that is in your care, custody or control for which you are liable, consisting principally of but not limited to baseball, football, basketball cards, non sports cards, buttons, programs, uniforms, and all sports collectibles including their display and storage books, pages and/or mountings

COMMERCIAL INLAND MARINE
GENERAL PURPOSE ENDORSEMENT

- Your Comic Books and related memorabilia property, and similar property of others that is in your care, custody, or control for which you are liable, consisting principally of but not limited to comic books and magazines, original comic artwork, comic strip art, animation art and pulp/science fiction art, comic character toys and toy rings, movie and cartoon posters, and comic character advertising, including their display and storage books, boxes, pages, and/or mountings
- Your Autographed Memorabilia and similar property of others that is in your care, custody, or control for which you are liable including their display and storage books, pages and/or mountings.
- Your Numismatic Property including similar property of others that is in your care, custody, or control for which you are liable including their display and storage books, pages and/or mountings.
- Your Philatelic Collectibles and similar property of others that is in your care, custody or control for which you are liable including their display and storage books, pages and/or mountings.
- Your Americana and Classic Collectible Property and similar property of others that is in your care, custody, or control for which you are liable consisting principally of, but not limited to, items of historical, scientific, technological or cultural value including their display and storage books, pages and/or mountings.

"Scheduled Property" does not mean contraband, or property in the course of illegal transit or trade.

All other Terms and Conditions remain unchanged.