

# COLLECTOR'S COVERAGE FORM

## (Collectible Property)

In this policy, "you" and "your" refer to the Named Insured shown in the Declarations. "We", "us" and "our" refer to the Company providing this insurance. Other words and phrases that appear in quotation marks have special meaning. Please refer to **Section E.**, Definitions.

### A. COVERAGE

This Policy insures Covered Loss to Covered Property, subject to the Limits of Insurance.

#### 1. Covered Loss

Covered Loss means physical loss of or direct physical damage to Covered Property, unless the loss or damage is not covered in Section B., Minimum Loss or Section C., Exclusions.

#### 2. Policy Period, Coverage Territory

We will pay for Covered Loss to Covered Property:

- a. Commencing during the policy period shown in the Declarations; and
- b. At a scheduled premise within the United States; and
- c. Occurring worldwide for personal travel and shipping including while being mailed or shipped by you or to you.

#### 3. Covered Property

a. **Covered Property** means collectible property:

- (1) Owned by you or "On Approval" while in your care, custody or control, or received by you for collectible research purposes.
- (2) Is one of the types of property you have listed in your:
  - (a) Most recent application; or
  - (b) Subsequent notices of change.

The most recent application and any subsequent notices of change are made part of this Collector's Coverage Form.

b. **Covered Property** does not include:

- (1) Bullion, gold, platinum, coins containing gold or platinum, jewelry, or watches containing precious gems;
- (2) Contraband or property in the course of illegal transportation or trade;
- (3) Explosives or explosive devices;
- (4) Live animals;
- (5) Motorized vehicles or transportation equipment;
- (6) Perishables;
- (7) Plants or insects;
- (8) "Dealer stock"; or
- (9) Guns, knives or edged weapons.

#### 4. Limits of Insurance

a. The **Policy Limit of Insurance** shown in the Declarations, plus any applicable increase under the Automatic Monthly Increase Coverage Extension, is the most we will pay for any one occurrence of Covered Loss.

This **Policy Limit of Insurance** applies to all Covered Loss, including loss:

- (1) Due to "Robbery" of Covered Property;
- (2) To Covered Property while at or going to or returning from a "Collectible Exhibition";
- (3) To scheduled items (**Policy Limit of Insurance** is inclusive of scheduled items)

unless one or more of the Sublimits applies, as provided in b, c, d, e, f and g that follow. None of these Sublimits will serve to increase the Policy Limit of Insurance.

b. The Premises **"Burglary and Theft" Sublimit**, shown in the Declarations, applies to "Burglary or Theft" of Covered Property while at the Scheduled Premises.

This Sublimit does not apply to:

- (1) Covered Property in a bank or safe depository; or
- (2) Covered Property while at a "Collectible Exhibition".

- c. The **Away From Scheduled Premises and Personal Travel Sublimit**, shown in the Declarations, applies to Covered Property that is temporarily away from the Scheduled Premises.

This includes Covered Property being transported in your personal custody or in the custody of your authorized personal representative.

This Sublimit does not apply to Covered Property going to or returning from a "Collectible Exhibition".

This sublimit does not apply to Covered Property being transported due to government recommended or mandatory evacuation from the scheduled premise(s).

**d. Shipping Requirements**

The following Sublimits shown in the Declarations apply to worldwide shipments of Covered Property that require the signature of the recipient:

- (1) The **Class 1 Signature Required Shipment Sublimit** applies to shipments by:
- (a) USPS Registered or Express mail, including USPS and non-USPS postal equivalents;
  - (b) Delivery or courier services such as FedEx, Airborne Express, DHL, TNT, other than United Parcel Service; or
  - (c) Any air freight carrier; or
  - (d) Any armored car service.

This Sublimit does not apply to Covered Property going to or returning from any "Collectible Exhibition".

- (2) The **Class 2 Signature Required Shipment Sublimit** applies to shipments by:
- (a) USPS Insured Mail, Certified Mail and Signature Confirmation (but not Delivery Confirmation) USPS and non-USPS postal equivalents; or
  - (b) United Parcel Service.

**e. No Signature Required Shipments**

The **Class 3 No Signature Required Shipment Sublimit** (shown in the Declarations) applies to shipments by

- (1) USPS First Class, Priority Mail, Air Mail, Global Priority Mail, Parcel Post, Bound Printed Matter, Media Mail (Book Rate), including USPS and non-USPS postal equivalents.
- (2) Delivery or courier services such as FedEx, Airborne Express, DHL, TNT, and United Parcel Service.

**f. Unscheduled Items**

In no event, will we pay more than \$25,000 for Covered Loss to any individual item or any one multiple piece that is not scheduled, by endorsement to this policy.

**g. Earth Quake Coverage Limit**

An aggregate limit for all collectible policies issued by the company to the insured for the hazard of earthquake is the sum of the policy limits or \$150,000 whichever is less.

**h. Storage Location Sublimit**

An aggregate limit for all collectible policies issued by the company to the insured for covered items placed in storage cannot exceed \$100,000.

**5. Coverage Extensions**

**Automatic Monthly Increase**

The Policy Limit of Insurance will automatically increase by 1% on the first day of each month following the policy inception date.

Each monthly increase will be based on the Policy Limit of Insurance stated in the Declarations. However, if the Policy Limit of Insurance is changed by endorsement, then that will be the basis for future increases.

In no event will this automatic increase serve to increase:

- (1) The Policy Limit of Insurance to more than \$1,000,000; or
- (2) Any Sublimit; or
- (3) Any scheduled item.

## B. MINIMUM LOSS

We will not pay for any Covered Loss claim unless the amount of Covered Loss exceeds \$50. For Covered Loss claims in excess of \$50, we will pay the full amount of the claim, up to the applicable Limit of Insurance.

## C. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

a. Seizure or destruction of property by order of governmental authority, including under quarantine or customs regulations.

But we will pay for 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 Policy.

b. Nuclear Hazard, meaning nuclear reaction, nuclear radiation or radioactive contamination, however caused.

If physical loss or damage by fire ensues, we will pay only for such ensuing loss or damage.

c. (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 or damage caused by or resulting from:

- a. Fading, creasing, denting, scratching, tearing, thinning, transfer of colors, wear and tear, or deterioration.
- b. Dampness or dryness of atmosphere.

- c. Changes in or extremes of temperature other than fire.
- d. Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals (other than household pets).
- e. Work done on Covered Property by you or others working on your behalf.
- f. Delay, loss of use or loss of market;
- g. Dishonest or criminal acts, including conversion, by you, your employees, your agents, your family and household members, or any person or persons to whom the Covered Property may be entrusted.

This exclusion does not apply to Covered Property entrusted to others for mailing or shipping.

h. Voluntarily parting with any Covered Property, by you, your spouse or ex-spouse, other family members or anyone to whom you have entrusted the Covered Property.

This exclusion applies to all such parting whether or not the parting was induced by any fraudulent scheme, trick, device, false pretense, or conversion.

- 3. We will not pay for loss or damage to Covered Property while in the custody of shipping or mailing companies except as covered under the Signature Required and No Signature Required Limits of Insurance in Section A, Coverage.
- 4. We will pay only for Covered Loss to shipments or mailings if the loss or potential loss is reported to us within 90 days of the shipping or mailing date.
- 5. We will not pay for loss to Covered Property placed in checked baggage.
- 6. We do not pay for loss or damage to "Dealer stock", however, incidental sale or trade of your unwanted property or duplicates from your personal collection is NOT "Dealer stock".
- 7. We will not pay for loss or damage to Covered Property while in a storage facility other than a bank or safe depository, unless the facility is scheduled on this policy and any additional premium that may be due is paid.
- 8. We will not pay for unexplained loss, mysterious disappearances; nor loss or shortage discovered upon taking inventory.

## D. CONDITIONS

### 1. Abandonment

There can be no abandonment of any Covered Property to us.

### 2. Appraisal

If you and we fail to agree on the amount of loss, either may demand that the amount of loss be set by appraisal. In this event, each party will choose a competent, independent appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state of your residence. The appraisers will separately set the amount of loss.

If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

- a. Pay its own appraiser; and
- b. 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.

### 3. Assignment

Your rights and duties under this policy may not be assigned without our written consent.

Death: 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 Covered Property will have your rights and duties but only with respect to that Covered Property.

### 4. Canceling the Policy

- a. You may cancel this policy by returning it to us or our authorized representative or by advising us or our authorized representative in writing stating the future date you want it to be cancelled.

- b. We may cancel this policy by written notice to you at the address shown in this policy or last known address. The cancellation will be effective as of the date shown on the Cancellation Notice, but not less than 10 days after mailing to the address in this policy or last known address.

The mailing of notice is sufficient proof of notice of cancellation. Delivery of notice shall be equivalent to mailing.

- c. When you request cancellation or when we cancel, the return premium will be pro rata.

### 5. Changes in Policy

No change may be made to this policy except by an endorsement issued by us and made a part of the policy.

### 6. Collection From Others

We will not pay for any Covered Loss that has been paid or settled by others.

### 7. Concealment, Misrepresentation or Fraud

This Policy is void in any case of fraud by you as it relates to this coverage at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This Policy;
- b. The Covered Property;
- c. Your interest in the Covered Property; or
- d. A claim under this Policy.

### 8. Conformity to State Law

When any policy provision is in conflict with the applicable law of the State in which this policy is issued, the law of the State will apply.

### 9. Duties After Loss

In event of Covered Loss, you must see that the following are done:

#### a. Notice of Loss

Report within 90 days in writing to us or our authorized representative any loss or damage which may become a claim under this policy.

**b. Protection of Property**

Protect the Covered Property from further damage and take all steps possible to minimize the damage. If expenses are incurred in doing so, they shall be borne by you and us proportionate to our respective interests.

**c. Proof of Loss**

File with us, or our authorized representative, a detailed proof of loss signed and sworn to by you setting forth to the best of your knowledge and belief the facts of the loss or damage and the amount thereof within 90 days after discovery of the loss or damage.

**d. Inspect Property, Books**

As often as may be reasonably required, permit us to:

- (1) Inspect the damaged and undamaged Covered Property and take samples for testing and analysis.
- (2) Examine and make copies of your books and records including electronic records and data.

**10. Examination Under Oath**

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.

**11. Liberalization**

If we adopt any revision that would broaden this Policy, without additional premium, it will apply to you, if the revision is effective:

- a. Within 60 days prior to inception of this policy; or
- b. During the Policy Period.

**12. Loss Clause**

If we make a payment for Covered Loss, we will not reduce any Limit of Insurance.

**13. Loss Payment**

We will pay for Covered Loss under this policy within 60 days after:

- a. We reach agreement with you;
- b. Entry of a final judgment; or
- c. The filing of an appraisal award with us, subject to the Appraisal Condition, D.2.

**14. Loss Settlement**

The basis of valuation for settlement will be:

- a. We will pay the lesser of:
  - (1) The market value of the Covered Property immediately prior to the loss ; or
  - (2) The cost and expense of restoration plus any resulting depreciation but not exceeding the full value of that item as in (1) above.

In no event will we be liable for more than the Policy Limit of Insurance shown in the Declarations, plus any applicable increase under the Automatic Monthly Increase Coverage Extension.

- b. If part of a multiple piece is lost or damaged, we will pay the difference in the value of the multiple piece immediately prior to the loss or damage and its value after the loss.

But we will not pay more for the total loss than the market value of the multiple piece immediately prior to the loss.

- c. Following payment of the full amount insured for any item, pair or set, we will become the full owners and reserve the right to take possession of the item, pair or set.

**15. No Benefit To Bailee**

No person or organization, other than you, having custody of Covered Property and to be paid for services shall benefit from this insurance.

**16. Other Insurance**

If at the time the Covered Loss occurred there is available any other insurance which would apply to the Covered Property, the insurance under this policy shall apply only as excess insurance over the other insurance. But in no event, will this insurance contribute with other insurance. In any event, we will not pay more than the applicable Limit of Insurance.

## 17. Premium Calculation

The premium shown in the Declarations is based on your agreement to maintain the "Protective safeguard(s)" shown in the Declarations, using the rates and rules in effect at the time the policy was issued.

If any change in the "Protective Safeguard(s)" is made, including deactivation, report the change to us immediately. We will change the premium from the date you made the change.

On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

## 18. Premium Payment

The first Named Insured shown in the Declarations:

- a. Is responsible for the payment of all premiums; and
- b. Will be the payee for any return premiums we pay.

## 19. Recovered Property

If you or we recover any Covered 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 applicable Limit of Insurance.

## 20. Subrogation

If any person or organization to whom or for whom we make payment under this Policy 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 prior to a Covered Loss. This written waiver will not restrict your insurance.

## 21. Suit Against Us

No action can be brought against us unless there has been full compliance by you with all the terms of this policy and the action is started within 2 years after the date of loss.

## E. DEFINITIONS

1. **"Burglary or Theft"** means any unlawful taking of property, including taking of property from within a premises with or without evidence of forced entry. "Burglary and Theft" does not include "Robbery".
2. **"Robbery"** means the unlawful taking of property from the care and custody of a person by one who has:
  - a. Caused or threatened to cause that person bodily harm; or
  - b. Committed an obviously unlawful act witnessed by that person.
3. **"Collectible Exhibition"** means an event, one to fifteen days in length, sponsored by an organized collecting group, or a collectibles show promoter, either local, regional, national or international. Collectible exhibits are put on display for purposes of a juried competition.

Collectible club sponsored displays in public forums, for example in libraries or shopping malls, are not "Collectible Exhibitions".
4. **"Protective Safeguards"** definitions are:
  - a. Approved safe means a safe weighing 300 pounds or more empty, with no wheels, a combination lock and relocking device.
  - b. Central Station Alarm means an alarm which sounds at a location which is continually monitored to provide a response and is away from the designated premises.
5. **"Dealer stock"**, meaning collectible property
  - a. held for sale or trade, or;
  - b. property acquired for resale, or;
  - c. a personal collection held for sale or trade, but incidental sale or trade of your unwanted property or duplicates from your personal collection is NOT "Dealer stock".
6. **"On Approval"** means collectibles sent to you on request to examine and decide whether to purchase or return.