PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

# COLLECTOR VEHICLE SPARE PARTS OR TOOLS COVERAGE ENDORSEMENT – ARIZONA

## AGREEMENT

We cover the classes and items of personal property described below in return for the premium shown in the Declarations.

## DEFINITIONS

For purposes of the coverage provided in this endorsement, the following definitions are added:

A. "Actual cash value" means the amount it would currently cost to repair or replace covered property with new material of like kind and quality, less allowance for physical deterioration and depreciations, including obsolescence.

B. "Insured" means you or any "family member" for the ownership, maintenance or use of the covered property.

C. "Market value" means the price which the property might be expected to realize if offered for sale by a willing seller to a willing buyer in a fair market on the date of loss or damage.

## PROPERTY COVERED

We cover the property insured under this endorsement when owned by, or in the custody or control of, an "insured" while it is anywhere in the world, unless otherwise noted.

A. **Scheduled Property**

We cover the item(s) described in the Declarations or Schedule only if an amount of insurance and premium is shown for that property.

B. **Unscheduled Property – Blanket Insurance**

We cover the property listed in the Declarations or Schedule only if a blanket amount of insurance and premium is shown for that class of property.

The amount of insurance shown for such property is limited by the **Loss Settlement** provision in this endorsement.

## CLASSES OF PERSONAL PROPERTY WE INSURE

A. **Automotive Tools**, including tools and portable equipment used in the maintenance of collector vehicles. This also includes:

1. Portable carts or cases used to store covered tools;
2. Accessories for covered tools whether attached or not.

B. **Collector Vehicle Spare Parts**, including parts that are specifically designed and held for use in the maintenance and operation of any collector vehicles, whether insured by us or not. Collector Vehicle Spare Parts shall not include parts held:

1. For use in "regular use vehicles"; or
2. As collectible personal property.

## SPECIAL LIMITS ON WHAT WE WILL PAY FOR UNSCHEDULED PROPERTY

In addition to the amount of insurance for the class of property insured, the following special limits on what we will pay apply to unscheduled property:

A. **Limit for Property Being Mailed or Shipped**

The limit of coverage we provide for unscheduled property being mailed or shipped is not more than $1,000. An adult's signature is required on the mailing or shipping receipt.

B. **Limit for Property Away from Residence**

The limit of coverage we provide for unscheduled property stored away from your primary or secondary residence is 10% of the amount of insurance for the class, unless we have agreed to an alternate storage

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location in writing.

However, this limitation does not apply to property:

A. Moved from the residence because the residence is being repaired, renovated, or rebuilt and is not fit to live in or store property in;

B. Kept in a locked utility/transport-type trailer specifically intended to house such property; or

C. In a newly acquired principal residence for 90 days from the time you begin to move the property there.

**PROPERTY NOT COVERED**

We do not cover:

A. Items in the custody of professional movers or haulers.

B. Contraband, or property in the course of illegal transportation or trade.

C. Unscheduled property while on or attached to a boat. However, we will cover property in the course of shipping if we have agreed to this in writing in advance of shipment.

D. Any item while attached to a vehicle.

E. Dealer stock.

F. “Business” or commercial property.

G. Unscheduled property held for sale while away from your primary or secondary residence.

H. Items being shipped by mail other than by:

1. Registered mail;
2. Certified mail; or
3. Other similar shipping or courier service which provides package tracking;

unless we agree to cover in writing, in advance of its shipment date.

I. Unscheduled property left behind in a hotel room after check-out.

**COVERED PERILS**

We insure against risk of direct physical loss to covered property unless the loss is caused by a peril that is excluded.

**EXCLUDED PERILS**

We do not insure 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. Loss that results from:

1. Wear and tear;
2. Deterioration;
3. Hidden defect; or
4. Any quality in property that causes it to damage or destroy itself.

B. Loss caused by or that results from birds, insects, or animals, including any related nesting, infestation, discharge, or release of waste products or secretions.

C. Loss caused by or that results from any repairing, restoration, refinishing, or retouching process.

However, if a fire or explosion results, we do cover the loss caused by fire or explosion.

D. Loss caused by or that results from breakage.

We do cover breakage caused by:

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1. Fire or lightning;
2. Explosion, aircraft, or collision;
3. Windstorm, earthquake, or flood;
4. Malicious damage or theft; or
5. Derailment or overturn of a conveyance.

E. Loss caused by or that results from neglect. Neglect means an “insured” failed to use all reasonable means to save and preserve property at and after the time of loss.

F. Loss caused by or that results from:

1. Fading, creasing, denting, scratching, tearing, or thinning; or
2. Transfer of colors, inherent defect, dampness, extremes of temperature, or depreciation.

G. For unscheduled blanket property, loss caused by theft from any unattended auto.

H. Loss caused by the infidelity of any person to whom the property was entrusted.

I. Loss caused by or that results from mechanical or electrical breakdown.

J. Loss caused by or that results from any power surge, unless a surge protector was used.

K. Loss or damage caused by or that results from an intentional act committed by or at the direction of an “insured”. An intentional act includes any voluntary act in which the intended outcome results in loss or damage to the insured property. However, this exclusion will not apply to deny an “insured's” claim for an otherwise covered loss under this policy if such loss is caused by an act of domestic violence by another “insured” under this policy and the “insured” making claim:

1. Did not cooperate in or contribute to the creation of the loss; and
2. Cooperates in any investigation relating to the loss.

We may apply reasonable standards of proof for such claims.

**DEDUCTIBLE**

We will pay only that part of the total of all loss payable under this endorsement that exceeds the deductible amount shown in the Declarations or Schedule for the class or item. If more than one deductible applies in any one loss, the largest applicable deductible will be used.

However, any loss caused by theft, misplacing or losing of unscheduled property is subject to a minimum deductible of $250 per loss.

**LOSS CONDITIONS**

**Loss Settlement**

A. **Standard Loss Settlement – Unscheduled Property – Blanket**

1. The value of the property in the Declarations or Schedule will be determined at the time of loss.

   We will not pay more than the least of the following amounts:

   a. The amount for which the article or item could reasonably be expected to be repaired to its condition immediately prior to loss;

   b. The amount for which the article or item could reasonably be expected to be replaced with one substantially identical to it;

   c. The “market value” of the article or item;

   d. The amount of insurance for the class; or

   e. For any one item, the per item limit shown in the Declarations or Schedule.

2. **Loss to a Pair, Set or Parts**

   If the item consists of a pair, set, or several parts when complete, we may elect to:

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a. Repair or replace any part to restore the pair or set to its value before the loss;

b. Pay the difference between the "actual cash value" of the property before and after the loss; or

c. Pay for the value of the part lost or damaged.

3. **Recovered Property**

If you or we recover any property for which we have made payment under this endorsement, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, we will adjust the loss payment based on the amount you received for the recovered property.

4. **Property of Others**

Property of others loaned or leased to the insured, and which the insured is required to insure, or for which the insured may be liable, will be valued at the lesser of:

a. The amount agreed upon in the loan or lease agreement;

b. The amount for which the article or item could reasonably be expected to be replaced with one substantially identical to it; or

c. Its "market value".

5. **Property Not Insured to Full Value**

Any loss payment we make will be reduced if you do not insure the covered property for its full value. We will pay only that proportion of any loss on an unscheduled collection that the amount of blanket insurance bears to the "actual cash value" of such property at the time of loss.

B. **Standard Loss Settlement – Scheduled Property**

1. The value of each scheduled article or item in the Schedule is not agreed upon but will be determined at the time of loss.

We will not pay more than the least of the following amounts:

a. The amount for which the article or item could reasonably be expected to be repaired to its condition immediately prior to loss;

b. The amount for which the article or item could reasonably be expected to be replaced with one substantially identical to it;

c. The amount of insurance; or

d. For any one item, the per item limit shown in the Declarations or Schedule.

2. **Schedule on File**

When Schedule on File is listed in the Schedule, we cover the items listed in a schedule which you must submit to us. The schedule must contain:

a. A description for each item; and

b. A limit for each item.

**Loss Clause**

We will not reduce the amount of insurance under this endorsement except for a total loss of scheduled property. We will refund the unearned premium for that property after the loss or you may apply the refund to the premium due for its replacement.

**PART D – COVERAGE FOR DAMAGE TO YOUR COVERED AUTO**

With the exception of the **Appraisal** provision, **PART D – COVERAGE FOR DAMAGE TO YOUR COVERED AUTO** does not apply to the property covered by this endorsement.

**PART E – DUTIES AFTER AN ACCIDENT OR LOSS**

In case of a loss to property covered by this endorsement, the following also applies:

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E. A person seeking coverage must:

1. Prepare an inventory of damaged property showing the quantity, description, value, cost, and amount of loss. Attach all bills, receipts, and related documents that justify the figures in the inventory;
2. Notify the police as soon as reasonably possible if the property is subject to a crime and file a report with the proper authorities as soon as practicable;
3. As often as we reasonably request:
   a. Show us, or our representative, the damaged property;
   b. Provide us with records and documents we request and permit us to make copies; and
   c. Send to us, as soon as reasonably possible, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
      1) The time and cause of loss;
      2) The interests of all "insureds" and all others in the property involved and all liens on the property;
      3) Other insurance or service agreements which may cover the loss; and
      4) The inventory of damaged property described in 1. above.

**PART F – GENERAL PROVISIONS** applies to the property covered by this endorsement, if applicable, except as changed or added below.

The following provisions are changed to include the property covered by this endorsement, in addition to "your covered auto":

A. **OUR RIGHT TO RECOVER PAYMENT**

B. **TRANSFER OF YOUR INTEREST IN THIS POLICY**

The following provisions are added:

**INSURABLE INTEREST AND LIMIT OF LIABILITY**

Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:

1. To an "insured" for more than the amount of such "insured's" interest at the time of loss; or
2. For more than the applicable amount of insurance.

**INSURANCE NOT TO BENEFIT OTHERS**

No person or organization having custody of the property who is paid or to be paid for services shall benefit from this insurance.

All other policy provisions apply.

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