

EXPERT COLLECTOR® VALUABLE COLLECTIONS POLICY

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Read the entire policy carefully to determine rights, duties and what is and is not covered. Various provisions in this policy restrict coverage.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations and his/her resident spouse. In states where legally required, spouse shall also include any person joined with the Named Insured under a civil union, domestic partnership or registered domestic partnership.

The words "we", "us" and "our" refer to the company shown in the Declarations which is providing this insurance. Other words and phrases that appear in quotation marks have special meaning. Refer to the **DEFINITIONS** section if needed.

AGREEMENT

In return for the premium payment and compliance with all applicable provisions of this policy and any endorsements, we agree to provide the insurance coverages shown in the Declarations and Schedules, which are part of this policy, for covered property owned by or in the legal care, custody and control of you.

By accepting this policy, you agree that the information in the Declarations and any application are your agreements and representations. This policy is issued in reliance upon the truth of your representations. It includes all agreements existing between you and us or any of our representatives.

DEFINITIONS

This section defines some of the more common terms used in this policy. Other terms that are not listed in this section are defined within the sections they appear.

- A. "Actual cash value" means the amount it would cost to repair or replace the covered property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence.
- B. "Business" includes trade, profession or occupation.
- C. "Constructive total loss" means a loss where the cost to repair damage to covered property will exceed the applicable limit for the property when fully repaired.
- D. "Loss event" means a single loss or series of losses caused by a single incident.
- E. "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.
- F. "Personal effects" includes items usually carried by collector vehicle owners, which you own and use or wear, while temporarily located in the vehicle, except as limited below.

"Personal effects" does not include:

- 1. Tools and equipment, "spare parts" or automotive tools;
- 2. Checks, credit or debit cards, currency, gift cards or money and securities; or
- 3. Portable digital or electronic devices and related media, cell phones, or laser or radar detection devices, including their accessories.
- G. "Regular use vehicle" means a motor vehicle which is used for regular driving to work, school, shopping, errands or for general transportation and is not a **Collector Vehicle**.
- H. "Spare parts" means a replacement for an item normally a part of a **Collector Vehicle** which is not currently in place on the covered **Collector Vehicle**.

CLASSES OF PERSONAL PROPERTY WE INSURE

- A. **AUTOMOBILIA**. This class includes:

- 1. Badges and pinbacks;
- 2. Bronzes and statues;
- 3. Cast iron toys;
- 4. Gas or oil containers and dispensers;

5. Hood ornaments;
6. Non-powered models;
7. Publications, signs, and posters;
8. Station displays;
9. Wall decorations; or
10. Any other historic or collectible item linked with motor vehicles, motorcycles, motorsports or a **Collector Vehicle**.

Automobilia does not include:

1. **Collector Vehicle(s)**;
2. Fully or partially complete vehicles; or
3. Vehicle components, "spare parts" or equipment, unless ownership is for memento value or artistic display rather than for practical use.

B. 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; and
2. Accessories for covered tools whether attached or not.

C. COLLECTOR VEHICLES, which includes:

1. Antique vehicles, which are motor vehicles 25 years or more of age that:
 - a. Are maintained primarily for use in car club activities, exhibitions, parades, other functions of public interest or for a private collection; and
 - b. Are used only infrequently for other purposes.
2. Classic vehicles, which are motor vehicles of unique or rare design and of limited production that are an object of curiosity that:
 - a. Are maintained primarily for use in car club activities, exhibitions, parades, other functions of public interest or for a private collection; and
 - b. Are used only infrequently for other purposes.
3. Any other vehicle or trailer listed in the Declarations or Schedule.
4. Tools and equipment stored in a **Collector Vehicle** and used for its emergency maintenance.

D. COLLECTOR VEHICLE SPARE PARTS, including parts that are specifically designed and held for use in the maintenance and operation of any **Collector Vehicles**, whether the **Collector Vehicle** is 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.

E. FINE ARTS COLLECTIONS. This class includes private collections which consist of:

1. Drawings, etchings, lithographs, paintings, pictures, tapestries;
2. Art glass windows;
3. Bona fide works of art such as:
 - a. Valuable rugs;
 - b. Statuary, marbles and bronzes;
 - c. Antique furniture and silver;
 - d. Manuscripts and rare books;
 - e. Porcelains, rare glass and bric-a-brac; and

4. Other bona fide works of rarity, historical value or artistic merit.

With regard to articles of fine art insured under this policy:

1. The premium shown in the Declarations or Schedule is based on your statement that this property is located at the mailing address or other address(es) shown in the Declarations or Schedule; and
2. You agree that if any articles are to be transported from this location, they will be packed and unpacked by competent packers.

F. JEWELRY AND WATCH COLLECTIONS. This class includes items of rarity, historical value or artistic merit. This does not include jewelry or watches worn regularly.

G. MISCELLANEOUS COLLECTIBLES. This class includes:

1. Farm implements;
2. Guns or weapons;
3. Militaria;
4. Sports memorabilia;
5. Vintage clothing; or
6. Any other unscheduled or scheduled collectible property classes shown in the Declarations or Schedule.

H. MUSIC MEMORABILIA. This class includes:

1. Instruments;
2. Backstage passes, publications, sheet music, signs and posters, tickets;
3. Tapes;
4. Vinyl records;
5. Accessories and equipment used for or with covered musical instruments; or
6. Any other historic or collectible item linked with music history.

I. NAUTICAL COLLECTIBLES. This class includes:

1. Bells, bronzes and statues, clocks;
2. Gas or oil containers and dispensers, globes;
3. Maps, publications, signs and posters;
4. Non-powered models;
5. Ship parts, components or instruments;
6. Wall decorations; or
7. Any other historic or collectible item linked with maritime history.

Nautical Collectibles does not include:

1. Boats, whether functional or under restoration; or
2. Boat engines, parts or equipment, unless ownership is for memento value or artistic display rather than for practical use.

J. POSTAGE STAMP COLLECTIONS. This class includes:

1. Due, envelope, official, revenue, match and medical stamps;
2. Covers, locals, reprints, essays, proofs and other philatelic property; or
3. Books, pages and mountings of items listed above.

K. RARE AND CURRENT COIN COLLECTIONS. This class includes:

1. Medals, paper money and bank notes;

2. Tokens of money and other numismatic property; or
3. Coin albums, containers, frames, cards and display cabinets used with the collection.

UNSCHEDULED PROPERTY SUBJECT TO SPECIAL LIMITS

We will not pay more than the limit shown for the following unscheduled property, regardless of the amount of insurance shown in the Declarations or Schedule for the class or item:

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 \$10,000. An adult's signature is required on the mailing or shipping receipt.

B. LIMIT FOR POSTAGE STAMP OR RARE AND CURRENT COIN COLLECTIONS

For unscheduled property under **Postage Stamp Collections** or **Rare and Current Coin Collections**, we will not pay more than \$1,000 on any one stamp, coin or individual article or any one pair, strip, block, series sheet, cover, frame or card.

C. 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 location in writing. However, this limitation does not apply to property:

1. Moved from the residence because it is being repaired, renovated or rebuilt and is not fit to live in or store property in; or
2. In a newly acquired principal residence for 90 days from the time you begin to move the property there.

This limit does not apply to trading cards insured as unscheduled property under **Miscellaneous Collectibles**.

D. LIMIT ON TRADING CARDS (MISCELLANEOUS COLLECTIBLES) AWAY FROM RESIDENCE

1. If trading cards are insured as unscheduled property under **Miscellaneous Collectibles**, we will not pay more than 10% of the amount of insurance stated in the Declarations while the cards are away from your primary or secondary residence;
2. Subject to the limit in 1. above, we will not pay more than the lesser of:
 - a. \$5,000 on any card; or
 - b. The per item limit.

PROPERTY NOT COVERED

We do not cover:

A. Under the **Jewelry** class of property:

1. Unmounted gems;
2. Bullion, gold, silver and other precious metals;
3. Goldware, gold-plated ware, pewterware, platinumware, platinum-plated ware, silverware, and silver-plated ware; and
4. Flatware, hollowware, tea sets, trays and trophies made of or including gold, silver, platinum or pewter.

B. Musical instruments used by any person in a performance for pay.

An instrument is used in a performance for pay when a person receives payment for playing the instrument or teaching with it during the policy period.

C. Property, other than **Collector Vehicles**, that is:

1. In the custody of a dealer, art gallery, art institution, auction house or room or museum open to the public when insured in the name of the entity;
2. Property exhibited at fair grounds or on the premises of national or international expositions; or
3. Owned by and insured for account of Federal, State, County or Municipal authorities.

- D. Postage stamps and rare and current coins not an actual part of a stamp or coin collection.
- E. Contraband, or property in the course of illegal transportation or trade.
- F. **Automobilia** while attached to any vehicle.
- G. Dealer stock, "business" property or commercial property.
- 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:
 - 1. 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;
 - 2. Held for sale while away from your primary or secondary residence; or
 - 3. In the custody of transportation companies.
- J. Property used for any illegal act by any person or entity.

EXTRA COVERAGES

The following additional coverages apply, subject to the provisions that exclude, restrict or limit coverage in this policy; provided however, that no deductible applies to an Extra Coverage unless specifically indicated below.

A. FIRE DEPARTMENT SERVICE CHARGE

When the fire department is called to save or protect property we insure from covered loss or damage, we will pay up to \$500 for your liability for fire department service charges:

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

B. FIRE EXTINGUISHER AND AUTOMATIC EXTINGUISHER SYSTEM RECOVERY

We will pay your expenses for recharge, reinspection or to restore the operation of:

- 1. Your hand-held fire extinguishers; or
- 2. An automatic extinguishing system

when they are discharged while protecting covered property.

The most we will pay under this Extra Coverage for any one incident is \$500.

C. NEWLY ACQUIRED PROPERTY

The following apply only to the classes of property we already insure.

- 1. With respect to **Collector Vehicles**, we will insure any **Collector Vehicle** on the date you became the owner during the policy period, whether as a new vehicle or replacement of a vehicle shown in the Declarations or Schedule, provided that:
 - a. You ask us to insure it within 90 days after you become the owner and pay the additional premium due from the date of ownership; and
 - b. We insure all of your **Collector Vehicles**.

The limit for this coverage will be the least of the following:

- a. The purchase price;
- b. The verifiable value;
- c. The highest amount of insurance available for any one vehicle already insured under the policy; or

d. \$5,000,000.

2. With respect to all other classes of property, we cover loss to your newly acquired property including property of others that is legally in your care, custody and control. The class limit for this coverage is the lesser of the amount of insurance shown in the Declarations for that class of property or \$1,000,000.

The per item limit for this coverage is the lesser of the per item limit shown in the Declarations or Schedule, 30% of the amount of insurance for its class, or \$10,000. You must ask us to insure this property within 90 days after you become the owner or have legal care, custody and control, and pay any additional premium due from the date coverage is provided.

D. PROPERTY EVACUATION EXPENSE

In order to avoid covered loss, we will share your reasonable expenses equally to move covered property from a location to preserve it from loss or damage due to a covered peril. This includes temporary storage expenses for up to 180 days. The most we will pay for our share to move covered property is limited to \$250 per item. The most we will pay under this Extra Coverage during any policy period is \$2,500.

E. REWARD COVERAGE – STOLEN PROPERTY

If property covered under this policy is stolen, we may, at our discretion, after consultation with the appropriate law enforcement personnel, pay a reward of up to the lesser of 10% of the covered loss or \$5,000 to any person, other than a person with an interest in the property, who provides the law enforcement agency information that:

1. Leads to the conviction of any person who has stolen the property; or
2. Results in the return of the stolen property.

The limit of liability will not be increased regardless of how many persons provide information or how many persons are convicted of the theft. No reward will be paid to any person involved in any way in the theft of covered property. The most we will pay for this Extra Coverage during any policy period is \$5,000.

F. VALUABLE PAPERS COVERAGE

We will pay up to \$1,000 per covered loss for direct and accidental loss or damage to valuable papers and records for covered property. This coverage includes the reasonable cost to research lost information on valuable papers and records for which duplicates do not exist.

However, we will not pay for loss to valuable papers and records caused by theft unless the loss results from forcible entry.

For purposes of this coverage, valuable papers and records includes but is not limited to printed or written materials such as an owner's handbook, catalogues, parts or service manuals or sales literature.

Losses will be settled on an "actual cash value" basis.

G. EXTRA COVERAGES FOR COLLECTOR VEHICLES

In addition to the other Extra Coverages available under this policy, the following apply if **Collector Vehicles** are shown in the Declarations or Schedule:

1. Accidental Deployment of an Airbag

We will pay up to \$1,500 for the cost to repair or replace an airbag passive restraint system that accidentally deploys when not caused by a covered loss.

2. Automotive Tools Coverage

We will pay up to \$1,000 for direct and accidental loss or damage to **Automotive Tools** for a covered **Collector Vehicle**, subject to a deductible of \$25. This coverage does not include tools used in any "business", or property of others in your care, custody or control.

However, we will not pay for loss to **Automotive Tools** caused by theft unless the loss results from forcible entry.

This coverage does not apply if **Automotive Tools** are insured under this policy as covered property.

3. Car Covers

We will pay up to \$1,000 for direct and accidental loss or damage to a car cover or car bra used for a **Collector Vehicle**. This coverage does not increase the amount of insurance for any **Collector Vehicle** as stated in the Declarations or Schedule.

4. Cherished Salvage®

Cherished Salvage® treatment is provided under the **General Provisions** section, **S. Salvage**.

5. Glass Deductible Waiver

We will not apply a deductible when windshield or window glass is repaired if it is damaged as a result of a covered loss under this policy. If the damage to windshield or window glass occurs at the same time as damage to other parts of the **Collector Vehicle**, the deductible applicable to the other damage to the **Collector Vehicle** may still apply.

6. Loss of Use and Trip Interruption Expenses

We will pay up to a maximum limit of \$1,500 for reasonable:

- a. Temporary expenses incurred by you for transportation, lodging and meals in the event of direct and accidental loss to a covered **Collector Vehicle**;
- b. Expenses of up to \$20 per day, or the amount for which you become legally responsible, in the event of a covered loss to an auto not owned by or furnished or available for your regular use which is a replacement for a covered **Collector Vehicle**; and
- c. Unrecoverable, pre-paid expenses for your attendance at collector vehicle events, such as pre-registration fees.

This coverage applies only if:

- a. The loss to a covered **Collector Vehicle** occurs more than 50 miles from its customary garaging; and
- b. A covered **Collector Vehicle** is withdrawn from use for at least 24 hours.

We will reimburse you only for expenses incurred during the period of time reasonably required to:

- a. Resume travel under a prearranged itinerary; or
- b. Return home.

We will not pay for loss to, or loss of use of, a rental vehicle rented by you if a rental vehicle company is precluded from recovering from you, under the provisions of any applicable rental agreement or state law.

7. Personal Effects Coverage

We will pay up to \$1,000 for direct and accidental loss or damage to your "personal effects" while in a **Collector Vehicle**, subject to a deductible of \$25.

However, we will not pay for loss to "personal effects" caused by theft unless the loss results from forcible entry into the **Collector Vehicle**.

8. Spare Parts

We will pay up to \$2,500 for direct and accidental loss or damage to "spare parts" for a covered **Collector Vehicle**.

This coverage does not:

- a. Increase the amount of insurance for any **Collector Vehicle** shown in the Declarations or Schedule.
- b. Include "spare parts" held for sale by you or property of others in your care, custody or control.

This coverage does not apply if **Collector Vehicle Spare Parts** are insured under this policy as covered property.

9. Vehicle VIN Theft and Fraudulent Title Coverage

Coverage for your **Collector Vehicle** is extended to include reasonable and necessary expenses

incurred by you to establish ownership as a result of the fraudulent and unlawful use of the Vehicle Identification Number (VIN) by others. We will also pay for the loss of the vehicle if the title of a covered **Collector Vehicle** is shown to be fraudulent, you did not know it was fraudulent, and the vehicle is confiscated by a public authority. This includes reasonable attorney fees with prior notice and approval by us. Amounts payable under this Extra Coverage are included in, and do not increase the amount of insurance applicable to your **Collector Vehicle**.

The most we will pay as a result of any one "loss event" shall be the least of:

- a. The cost to establish ownership and clear the title;
- b. The vehicle's amount of insurance; or
- c. \$50,000.

The most we will pay for this Extra Coverage during any policy period is \$50,000.

10. Vehicle Lock Coverage

We will pay up to \$1,500 for a loss to keys for a covered **Collector Vehicle** which includes:

- a. The cost to duplicate or replace lost or stolen keys;
- b. The labor costs to retrieve keys accidentally locked in the vehicle; or
- c. The cost to re-key the vehicle locks when the keys are lost, stolen, or the vehicle is stolen and then recovered.

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

A. With respect to all classes or items covered, we will not pay for loss or expense:

1. Caused by any of the following; however, resulting damage is covered unless another exclusion applies:
 - a. Wear and tear;
 - b. Deterioration;
 - c. Hidden or inherent defect;
 - d. Dampness, mildew, mold, rot or rust, or temperature extremes;
 - e. Mechanical or electrical breakdown or failure;
 - f. Any quality in property that causes it to damage or destroy itself;
 - g. Birds, rodents, vermin or insects. This exclusion does not apply to **Collector Vehicles**;
 - h. Nesting or infestation, or discharge or release of waste products or secretions, by any animals. This exclusion does not apply to **Collector Vehicles**; or
 - i. Any repairing, restoration, refinishing or retouching process.
2. Caused by or that results from any of the following:
 - a. Neglect. Neglect means a person or entity with an interest in the property failed to use all reasonable means to save and preserve property at and after the time of loss;
 - b. Confiscation, destruction, nationalization, requisition or seizure of covered property by or under the direction of any government or public authority;
 - c. Repossession or other taking of covered property under an execution of judgment against any person or entity with an interest in the property;
 - d. Intentional acts of a person or entity with an interest in the property. Intentional means any loss arising out of any act a person or entity with an interest in the property commits or conspires to

commit with the intent to cause a loss and whose consequences could have been foreseen by a reasonable person. In the event of this type of loss, no person or entity is entitled to coverage, even those who did not commit or conspire to commit the act;

- e. Infidelity of any person or entity to whom the property was entrusted. However, this exclusion does not apply to loss to **Collector Vehicles**;
 - f. Power surge, unless a surge protector was used. However, this exclusion does not apply to **Collector Vehicles**; or
 - g. For unscheduled blanket property, theft from any unattended auto or trailer without visible signs of forced entry.
- B.** With respect to all classes or items covered, we will not pay for loss or expense caused by or that results from any of the following “loss events”. These exclusions apply whether or not the “loss event” is caused by or made worse by any other peril or results in widespread damage or affects a substantial area:
- 1. Nuclear reaction, nuclear radiation or radioactive contamination. However, we will pay for direct loss by fire resulting from any of these;
 - 2. War (declared or undeclared), civil war, insurrection, rebellion or revolution; warlike act by a military force or military personnel; or destruction, seizure or use of property for a military purpose. If any act that is within this exclusion involves nuclear reaction, radiation, or radioactive contamination, this exclusion **B.2.** supersedes;
 - 3. Chemical, biological, bio-chemical, or electromagnetic contamination, whether controlled or uncontrolled or however caused.
- C.** In addition to the Excluded Perils above, the following exclusions also apply to the classes or items described below:
- 1. If **Fine Arts Collections** are covered:
 Loss caused by or that results from breakage of art glass windows, glassware, statuary, marble, bric-a-brac, porcelains and similar fragile articles.
 We do cover breakage caused by:
 - a. Fire or lightning;
 - b. Explosion, aircraft or collision;
 - c. Windstorm, earthquake or flood;
 - d. Malicious damage or theft; or
 - e. Derailment or overturn of a conveyance.
 However, this provision does not apply to articles or classes described in the Declarations or Schedule as including breakage.
 - 2. If **Automobilia, Nautical Collectibles, Miscellaneous Collectibles, Collector Vehicle Spare Parts or Automotive Tools** are covered:
 Loss caused by or that results from breakage.
 We do cover breakage caused by:
 - a. Fire or lightning;
 - b. Explosion, aircraft or collision;
 - c. Windstorm, earthquake or flood;
 - d. Malicious damage or theft; or
 - e. Derailment or overturn of a conveyance.
 However, this provision does not apply to articles or classes described in the Declarations or Schedule as including breakage.

3. If organs not of a mobile nature are covered under **Music Memorabilia**, loss caused by or that results from any adjusting, servicing or maintenance operation unless direct loss by fire or explosion ensues then we will pay for only the ensuing loss.
4. If **Postage Stamp Collections, Collector Vehicle Spare Parts, Automotive Tools, or Rare and Current Coin Collections**, or any paper items within any other class other than **Fine Arts** are covered:

Loss caused by or that results from:

- a. Fading, creasing, denting, scratching, tearing, or thinning; or
 - b. Transfer of colors or depreciation.
5. If **Postage Stamp Collections, Rare and Current Coin Collections, or Miscellaneous Collectibles** that are trading cards are covered, loss caused by or that results from:
 - a. Damage from being handled or worked on; or
 - b. Disappearance of individual stamps, coins or other articles unless the item is:
 - (1) Described and scheduled with a specific amount of insurance; or
 - (2) Mounted in a volume and the page it is attached to is also lost.

6. If **Collector Vehicles** are covered:

- a. Loss or damage caused by or that results from:
 - (1) Loss of use;
 - (2) Road damage to tires unless the damage was caused by another covered loss under this policy; or
 - (3) A **Collector Vehicle** being airborne under its own power including landing and take-off. This exclusion applies only if the vehicle is designed, manufactured and or modified for flight or road use, but not including air-cushioned vehicles.
- b. Loss to:
 - (1) Equipment designed for the reproduction of sound not permanently installed in a covered **Collector Vehicle**;
 - (2) Tapes, records, compact discs or other sound reproducing devices designed for use with sound reproducing equipment;
 - (3) "Spare parts" caused by theft unless the loss results from forcible entry into the place where your "spare parts" are normally kept; into the covered **Collector Vehicle** itself; or into a securely locked compartment. All losses caused by theft must have visible marks of forcible entry; or
 - (4) Any data or sound receiving or transmitting equipment designed for use as a citizens band radio; two-way mobile radio; telephone; facsimile machine; or scanning monitor receiver; including its antennas or accessories.

This exclusion does not apply if the equipment is permanently installed in the dash or console opening normally used by the auto manufacturer for the installation of a radio.

- c. Loss caused by or resulting while your **Collector Vehicle** is:
 - (1) Involved in any prearranged, organized, or spontaneous race or involved in:
 - (a) Preparation for a race of this type, but only while in the "paddock" or on the track or racecourse; or
 - (b) Practicing or qualifying for a race of this type.

A race includes any contest for speed or endurance, whether against another competitor or against a time measuring device.
 - (2) Being used at a:
 - (a) Racing facility; or

- (b) Facility or roadway temporarily designated for speed, time, racing, or performance driving events. This includes, but is not limited to, the use of **Collector Vehicles** at a performance or racing driving school, a rally in excess of the legal speed limit, or a closed road rally.

However, this exclusion does not apply while your **Collector Vehicle** is:

- (1) On display in a race facility's "paddock" area and is not being prepared for a race or a specified show display area;
- (2) Being towed by a trailer from one location to another;
- (3) Used by you to attend a racing event as a spectator;
- (4) Being operated for purposes of display in any pre- or post-race parade laps; or
- (5) Involved in an organized event on open, public roads while operated within legal speed.

For purposes of this exclusion, "paddock" includes the area at the race course where racing vehicles are parked. It does not include any pit area, or the track/course or its entrance or exit lanes.

7. If guns are covered under **Miscellaneous Collectibles**, loss or damage caused by or that results from fouling or explosion of guns.

DEDUCTIBLE

- A. We will pay only that part of the total of all loss payable under this policy that exceeds the deductible amount shown in the Declarations or Schedule for the class or item per "loss event". However, if your **Collector Vehicle** is declared a total loss or "constructive total loss", any deductible applicable to that **Collector Vehicle** for that "loss event" will be waived unless the "loss event" is subject to a specified peril deductible endorsement. Any loss to **Collector Vehicle Spare Parts** or **Automotive Tools** caused by theft, misplacing or losing of unscheduled property is subject to a minimum deductible of \$250 per "loss event".
- B. With respect to a **Collector Vehicle** that is involved in an upset, overturn, or impact with another vehicle or inanimate object:
 1. No deductible will apply if the loss is caused by a collision with another auto insured by us; or
 2. Up to \$2,500 of any applicable deductible will be waived if the loss is determined to be less than 50% your fault. This item **B.2.** does not apply to a total loss or "constructive total loss".
- C. However, any coverage we provide for theft from an unattended auto or trailer will be subject to a deductible equal to the greater of:
 1. \$100; or
 2. The deductible shown in the Declarations or Schedule for the covered property.

LOSS CONDITIONS

A. LOSS SETTLEMENT

1. Standard Loss Settlement – Unscheduled Property

- a. The value of the property shown in the Declarations 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:
 - (1) The amount for which the article or item could reasonably be expected to be repaired to its condition immediately prior to loss;
 - (2) The "market value" of the article or item;
 - (3) The amount of insurance for the applicable class; or
 - (4) For any one item, the applicable per item limit shown in the Declarations or Schedule.
- b. **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 this property at the time of loss.

2. Standard Loss Settlement - Scheduled Property

The value of each scheduled article or item in the Declarations or 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.

3. Standard Loss Settlement – Scheduled and Unscheduled Property

a. Newly Acquired Property

For newly acquired property, we will not pay more than the least of the following amounts:

- (1) The “actual cash value” of the article or item at the time of loss;
- (2) The amount for which the article or item could reasonably be expected to be repaired to its condition immediately prior to loss;
- (3) The “market value” of the article or item.

b. Loss To A Pair, Set Or Parts

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

- (1) Repair or replace any part to restore the pair or set to its value before the loss;
- (2) Pay the difference between the “actual cash value” of the property before and after the loss; or
- (3) Pay for the value of the part lost or damaged.

In the case of an article of fine art, we will pay the “actual cash value” of the article before the loss and you agree to surrender the remaining articles of the set to us.

c. Property of Others

Property of others loaned or leased to you, and which you are required to insure, or for which you may be liable, will be valued at the least of:

- (1) The amount agreed upon in the loan or lease agreement;
- (2) The amount for which the article or item could reasonably be expected to be replaced with one substantially identical to it;
- (3) Its “market value”; or
- (4) Its “actual cash value”.

4. Guaranteed Value® Loss Settlement – Scheduled Property

a. When an item is designated with Guaranteed Value® coverage in the Declarations or Schedule:

(1) For items other than any **Collector Vehicle**:

We will pay the full amount shown for each article or item. That amount is agreed to be the value of the article or item.

(2) With respect to any **Collector Vehicle**:

- (a) The amount of insurance shown in the Declarations or Schedule as the Guaranteed Value® is agreed to be the value of a covered **Collector Vehicle**, in case of a total loss or “constructive total loss.” The amount of insurance shown for each vehicle is increased by two percent at the end of each three month period after the policy effective date. Upon expiration of the policy period, the amount reverts back to the Guaranteed Value® shown in the Declarations

or Schedule. This amount is used to process your renewal unless you request a change in the amount of insurance to which we must also agree.

If the "market value" of a covered **Collector Vehicle** immediately before the loss exceeds its Guaranteed Value®, we will pay its "market value" up to 150% of the Guaranteed Value® including any applicable quarterly adjustments as described above. For policies with two or more **Collector Vehicles**, the most we will pay in any one "loss event" is the total of all **Collector Vehicle** limits shown in the Declarations or Schedule, subject to any applicable policy loss limit.

- (b) For any loss or damage to a covered **Collector Vehicle** other than a total loss or "constructive total loss", we will pay the amount necessary to repair or replace the property, whichever is less, provided you actually repair or replace the property, with similar kind and quality, without regard to depreciation or betterment, but we will not pay more than the Guaranteed Value® per vehicle shown in the Declarations or Schedule.

If the "market value" of a covered **Collector Vehicle** immediately before the loss exceeds the "market value" of the vehicle after it is repaired, we will pay the difference between its "market value" before and after repair up to 150% of the Guaranteed Value® including any applicable quarterly adjustments as described in (a) above. The most we will pay in any one loss is the total of all vehicle amounts shown in the Declarations or Schedule, subject to any applicable policy loss limit.

b. Loss To A Pair, Set Or Parts

If the article or item is a pair or set, or consists of several parts when complete:

- (1) We will pay the full amount shown in the Schedule for that pair, set or complete article or item; and
- (2) At our request, you will surrender it to us if it is not lost or stolen.

5. Extra Coverages

- a. If a basis for loss valuation is described in the applicable Extra Coverage provision, that method of loss valuation will be used to determine amounts payable under that Extra Coverage.
- b. If a basis for loss valuation is not described in an Extra Coverage provision, we will not pay more than the least of the following for any loss under that Extra Coverage:
 - (1) The amount for which the article or item could reasonably be expected to be repaired to its condition immediately prior to loss;
 - (2) The amount for which the article or item could reasonably be expected to be replaced with one substantially identical to it; or
 - (3) The limit shown for the applicable Extra Coverage.

B. PAYMENT OF LOSS

Payment of loss, with all your indebtedness to us being first deducted, will be made within 30 days after we either reach agreement with you, a final judgment is entered in the court, or an arbitration award is filed with us.

The amount we will pay for a total loss or "constructive total loss" of covered property shall be reduced by any amount previously paid for repairs not completed at the time of the total loss or "constructive total loss."

We may pay for loss in money or repair or replace the damaged or stolen property.

We will not reduce the amount of insurance under this policy except for a total loss or "constructive total loss" of scheduled property.

DUTIES AFTER A LOSS

- A. As soon as reasonably possible you must report to us or our authorized agent any "loss event" which may be covered under this policy. This report should give full details about when and where the loss occurred, how it happened and the name and address of all the people involved, including all witnesses and all persons and entities with an interest in the property involved. The report should also identify other insurance that may cover the loss.

- B. You are required to immediately notify the authorities of any collision, theft, vandalism or malicious damage to the insured property. You must also permit us to inspect and appraise any damage before disposal or repairs are made.
- C. You must also protect the property from further loss and make every effort to recover it. We will pay any reasonable expenses incurred in protecting the covered property. Any further loss incurred due to your failure to protect the property will not be recoverable under this policy.
- D. After requested by us, you must file within 60 days thereof, with us or our authorized agent, a written statement about the details of the loss. This statement must be signed and sworn by you.
- E. You must cooperate with us in the investigation, defense or settlement of any loss.
- F. You must 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.
- G. You must provide us with records and documents we request and permit us to make copies.
- H. You must agree to be examined under oath, if we request. We have the right to examine under oath and receive statements from any person named by us. If more than one person, we have the right to examine and receive statements separately from each person and not in the presence of others.
- I. You may not offer or pay any rewards, make willing payments or incur other expenses except at your own expense.

If you do not comply with these general duties, no coverage will be provided.

GENERAL PROVISIONS

A. ABANDONMENT

There can be no abandonment of covered property to us.

B. APPRAISAL

1. If we and you do not agree on the amount of loss, either party may demand an appraisal of the loss. In this event, each party will select a competent appraiser. The two appraisers will select an umpire. The appraisers will set the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two of the three will be binding.
2. Each party will:
 - a. Pay its chosen appraiser; and
 - b. Bear the expenses of the appraisal and umpire equally.

Appraisal is not available when there is a dispute as to the existence of coverage. Nothing herein will prejudice or in any way impact our right to contest coverage and to bring suit in a court of competent jurisdiction contesting coverage.

We do not waive any of our rights under this policy by agreeing to an appraisal.

C. BANKRUPTCY

Your bankruptcy, insolvency or dissolution shall not relieve us of any obligations under this policy.

D. COLLECTOR VEHICLE MODIFICATION – NOTICE REQUIRED

If you modify your vehicle to achieve 700 horsepower or greater, or equip the vehicle with nitrous system(s), you must notify us within 30 days.

E. COMMERCIAL USE

If **Collector Vehicles** are covered, no coverage will apply to a **Collector Vehicle** when it is being:

1. Rented or leased to any person or entity for a fee; or
2. Used to carry persons or property for a fee, or for any other commercial use unless prior written consent has been obtained from us.

F. CONCEALMENT OR MISREPRESENTATION

All insurance provided by this policy will be null and void if, at any time, you or any person or entity with an interest in the property conceal or misrepresent any material fact regardless of intent. No action or inaction by us will be deemed a waiver of this provision.

G. COVERAGE TERRITORY

We will pay for loss or damage to property covered while it is located anywhere in the world.

H. INSURABLE INTEREST AND LIMIT OF LIABILITY

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

1. To any person or entity for more than the amount of this person's or entity's interest at the time of loss; or
2. For more than the applicable amount of insurance.

I. INSURANCE NOT TO BENEFIT OTHERS

No person or entity having custody of the property and to be paid for services shall benefit from this insurance.

J. INSURANCE UNDER MORE THAN ONE COVERAGE

If more than one coverage applies to any property insured under this policy for the same loss, we will not pay more than the actual loss sustained.

K. LEGAL ACTION AGAINST US

No legal action may be brought against us until there has been full compliance with all the terms of this policy. Suit or action must start within 12 months of the date you first have knowledge of the loss.

L. LOSS PAYABLE

For covered losses to property in which both you and a loss payee shown in the Declarations or Schedule have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage to the loss payee and you, as interests appear.

M. OTHER INSURANCE

1. If other insurance also covers a loss, we will pay only our share. Our share is the proportion that our amount of insurance bears to the total of all applicable limits.
2. Coverage for property of others shall be excess over any other collectible insurance.

N. POLICY CHANGES

No change or waiver may be effected in this policy except by endorsement issued by us. If a premium adjustment is necessary, we will make the premium adjustment as of the effective date of the endorsement.

If we make a change which broadens coverage under this edition of your policy without additional premium charge that change will automatically apply to your policy as of the date we implement the change in your state. This paragraph does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:

1. A subsequent edition of your policy; or
2. An Amendatory Endorsement.

O. POLICY PERIOD

This policy applies only to accidents and losses which occur during the policy period as shown in the Declarations.

P. RECOVERED PROPERTY

If you or we recover any property for which we have made payment under this policy, you or we will notify the

other of the recovery. At your option, we will sell the item back to you, or it will become our property. You are responsible for the cost of delivery. However, if the property is a **Collector Vehicle** for which we have paid a total loss or a "constructive total loss", ownership of the recovered vehicle will follow the provisions set forth in **S. SALVAGE** below.

Q. REGULAR USE VEHICLE REQUIREMENT

If this policy provides coverage for **Collector Vehicles** shown in the Declarations, you must own a "regular use vehicle" which must be insured by a separate insurance policy which must be in effect for the entire time this policy is in effect.

R. RIGHT OF RECOVERY

If we make payment under this policy and the person or entity to or for whom payment was made has a right to recover damages from another we shall be subrogated to that right. That person or entity shall do:

1. Whatever is necessary to enable us to exercise our rights; and
2. Nothing after loss to prejudice our rights.

We will not exercise these rights with respect to any person using a **Collector Vehicle** with your permission. However, this permissive use exception does not apply when the **Collector Vehicle** is in the care, custody and control of any "business" entity.

S. SALVAGE

The right of salvage, in the event of a total loss or "constructive total loss", belongs to you.

T. SCHEDULE ON FILE – SCHEDULED PROPERTY ONLY

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

1. A description for each item; and
2. An amount of insurance for each item.

U. STATE LAW CONFORMANCE

Any part of this policy that conflicts with state law is automatically changed to conform to the law.

V. TERMINATION

1. Cancellation

This policy may be canceled during the policy period as follows:

- a. You may cancel by:
 - (1) Returning this policy to us; or
 - (2) Giving us advance written notice of the date cancellation is to take effect.
- b. We may cancel this policy for any reason allowed by law by mailing notice to you at the address shown in this policy or otherwise last known to us:
 - (1) At least 10 days written notice:
 - (a) If cancellation is for nonpayment of premium; or
 - (b) If notice is mailed during the first 60 days this policy is in effect and this is not a renewal or continuation policy; or
 - (2) At least 20 days written notice in all other cases.
- c. After this policy is in effect for 60 days, or if this is a renewal or continuation policy, we will cancel only:
 - (1) For nonpayment of premium;
 - (2) If there is a substantial increase in hazard or change in exposure, including but not limited to an increase in exposure due to rules, legislation or court decision;

- (3) For fraud or material misrepresentation;
- (4) If you or any family members are convicted of a crime arising out of an act that increases the hazard insured against;
- (5) For substantial breach of your duties under this policy; or
- (6) For failure to comply with our underwriting requirements within 60 days of the term effective date.

Our right to cancel applies to each coverage or amount of insurance in this policy. We will notify the loss payee in writing at least 10 days before we cancel this policy.

2. Nonrenewal

If we decide not to renew or continue this policy, we will mail written notice to you at the address shown in the Declarations of this policy. Written notice will be mailed at least 20 days before the end of the policy period. Our right not to renew applies to each coverage or amount of insurance in this policy.

We will notify the loss payee in writing at least 10 days before we nonrenew this policy.

3. Automatic Termination

If we offer to renew or continue and you or your representative do not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

If you obtain other specific insurance on covered property, any similar insurance provided by this policy will terminate as to that covered property on the effective date of the other specific insurance.

4. Other Termination Provisions

We may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.

If this policy is canceled, you may be entitled to a premium refund. If so, we will send you the refund. However, making or offering to make the refund is not a condition of cancellation.

The effective date of cancellation stated in the notice shall become the end of the policy period.

W. TOTAL LOSS

If we pay a total loss or a "constructive total loss" for any covered property shown in the Schedule or Declarations, all coverage under this policy for this covered property will terminate simultaneously upon payment of the loss. In that event the policy premium shall be fully earned as respects this covered property.

X. TRADE SANCTION LAWS CONFORMANCE

This policy does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.

Y. TRANSFER OF YOUR INTEREST IN THIS POLICY

We do not provide any coverage under this policy if you sell, assign, transfer or pledge the covered property unless prior written consent has been obtained from us.

However, in the event of your death, this policy will remain in effect until the end of the policy period for:

- 1. Persons covered under this policy at the time of your death;
- 2. Your legal representative while acting within the scope of duties of a legal representative; or
- 3. Any person having proper custody of the covered property until a legal representative is appointed.