



INLAND MARINE POLICY

AGREEMENT

We will provide the insurance described in this policy in return for *your* payment of the premium and *your* compliance with all of the *terms* and provisions of this policy.

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GENERAL POLICY PROVISIONS

A. DEFINITIONS

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

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

We, us and *our* refers to the insurance company.

Terms as used in this policy means Provisions, Limitations, Exclusions and Definitions used in this policy or any forms or endorsements attached.

B. TYPES OF LOSSES NOT COVERED

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

1. Wear and tear, gradual deterioration, insects, vermin or inherent vice.
2. War-meaning undeclared war, civil war, insurrection, rebellion, warlike act by a military force or military personnel, or destruction, seizure or use of property for a military purpose. It includes any consequences of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.
3. Nuclear Clause-We do not cover loss or damage caused by nuclear reaction, nuclear radiation or radioactive contamination, all whether directly or indirectly resulting from a covered loss under this policy. But, if loss or damage by fire results, we will pay for the resulting loss or damage.

C. WHAT YOU MUST DO IN CASE OF LOSS

1. Notice.
 - a. In case of loss or if *you* become aware of anything that indicates that there might be a claim under this policy, *you* must:
 - 1) promptly give *us* or *our* agent notice (in writing if requested);
 - 2) provide in *your* notice to *us*, *your* name, the type of policy, policy number, and the time, place and circumstances of the loss and the names and addresses of all known or potential witnesses;
 - 3) promptly notify the police when the act causing the loss is also a violation of the Law.
2. Protect *Your* Property.
 - a. *You* must take all reasonable steps to protect covered property at and after a covered loss, to avoid further damage.
 - b. *We* pay for repairs that are reasonable and necessary to protect *your* property from further damage providing that *you* keep an accurate record of such expenses. These payments do not increase the limit of insurance otherwise applicable to the loss.

3. Proof of Loss.
 - a. **You** must submit to **us** a Sworn Statement in Proof of Loss, signed and sworn to by **you**, within 60 days of **our** request.
 - b. **You** must provide in **your** Sworn Statement in Proof of Loss, the time, origin and cause of loss, the price and date of purchase of the property, the current actual cash value and a complete description of the property involved, receipts, appraisals or other proof of ownership or value, information about any lien on the property and who holds it and information about any other insurance on the property.
4. Additional Duties.
 - a. **You** must exhibit the damaged property and permit inspections as often as **we** may reasonably request.
 - b. **You** must cooperate with **us** in performing all of the acts required by this policy.
 - c. **You** must produce records, including tax returns and bank microfilm of all canceled checks, relating to value, loss and expenses and permit copies and extracts to be made of them as often as **we** reasonably request.
 - d. **You** must assist in enforcing any right of recovery which **you** may have against any party causing the loss.
 - e. **You**, and each **insured** separately, must submit to an examination under oath, at such times as may be reasonably required, about any matter relating to this insurance or **your** claim, including **your** books and records. In such event, **your** answers must be signed.
 - f. **You** may not abandon the covered property to **us**, unless **we** specifically agree.

D. HOW MUCH WE PAY FOR LOSS OR CLAIM

1. Covered losses will be settled as follows:
We pay the lesser of:
 - a. The actual cash value of the property at the time of the loss including an appropriate deduction for depreciation, however caused.
 - b. The cost of repairing or replacing the property with materials of equivalent kind and quality to the extent practicable.
 - c. The amount of **your** interest in the property.
 - d. The amount computed after applying the deductible or other limitation applicable to the loss.
 - e. The applicable amount of insurance.
2. It is **our** option to:
 - a. pay the loss in money.
 - b. repair, replace or rebuild the property with equivalent kind and quality, to the extent practical, within a reasonable time. **We** will give **you** notice of **our** intent to repair, replace or rebuild within 30 days of the receipt of a conforming Sworn Statement in Proof of Loss.
 - c. **We** may take all or part of the property at the agreed or appraised value. Any property paid for or replaced shall become **our** property.

E. OTHER PROVISIONS

1. Loss to Pairs or Sets-If there is a loss to an article which is part of a pair or set, **we** are only liable for a reasonable proportion of the actual cash value of the entire pair or set. The loss is not considered a total loss of the pair or set.
2. Loss to Parts-If there is loss to any part of an item which consists of several parts when complete, **we** are only liable for the actual cash value of the part. The loss is not considered a total loss of the item.
3. Claim Payment-Payment of a claim does not reduce the limit of insurance unless **we** pay a total loss on a scheduled article(s).
We will refund the unearned premium for the article(s) after the loss. Or, **you** may apply it to the premium due for the replacement of insurance for a replacement article(s).
We will not pay for a loss if an **insured** is paid for the loss by anyone else.
4. Other Insurance-If there is other valid and collectible insurance which applies to a loss or claim, or would have applied in the absence of this policy, the insurance under this policy shall be considered excess insurance. It shall not apply or contribute to the payment of any loss or claim until the amount of such other insurance is exhausted.
5. Subrogation- If **we** pay for a loss, **we** may require that **you** assign to **us** the right of recovery up to the amount **we** have paid. **We** are not liable for a loss if, after the loss, **you** impair **our** right to recover against other third parties. **You** may waive **your** right to recover, in writing, before a loss occurs, without affecting coverage. If **we** pay a loss to **you** or on **your** behalf, and **you** recover from another party for the same loss, **you** must make payment to **us**.
6. Appraisal-If **you** and **we** do not agree on the cost to repair or replace, actual cash value of, or amount of loss to covered property when loss occurs, either party may demand that these amounts be determined by appraisal. If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the

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

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

7. **Suit Against Us**- No **suit** to recover any property loss may be brought against **us** unless **you** have fully complied with the **terms** of this policy and the **suit** is commenced within two years after the loss. If any law of the state where the premises described in the Declarations is located makes this limitation invalid, then **suit** must begin within the shortest period permitted by the law.
8. **Conformity With Statute**- **Terms** of this policy, in conflict with the statutes of the state where the premises described in the Declarations are located, are amended to conform to such statutes.
9. **Misrepresentation, Concealment or Fraud**- Under this policy, there is no coverage provided for all **insureds** if whether before or after a loss:
 - a. Any **insured** willfully concealed or misrepresented any material fact or circumstance concerning this insurance;
 - b. Any **insured** engages in conduct that is fraudulent concerning this insurance; or
 - c. Any **insured** makes false statements concerning this insurance.
10. **Change, Modification or Waiver of Policy Terms**- A waiver or change of any **terms** of this policy must be issued by **us** in writing to be valid. **Our** request for an appraisal or examination under oath does not waive any of **our** rights.
11. **Liberalization Clause**- If **we** adopt any revision of forms or endorsements during a policy period which would broaden coverage under this policy without additional premium, the broadened coverage will automatically apply to this policy as of the date of adoption, provided that this change occurs 60 days prior to or during the period that this policy is in force. This does not apply to forms revisions of a subsequent date that shall include changes that broaden and restrict coverage whether such revisions are a general program revision or a revision by amendatory endorsement.
12. **No Benefit to Bailee**-Insurance under this policy shall not directly or indirectly benefit any hired carrier or anyone else who is paid for assuming custody of covered property.
13. **After-death Continuation of Basic Property Insurance**-Insurance under this policy shall be continued in the circumstances set forth below and shall end at whichever is later:
 - a. For 180 days after **your** death without regard to the policy period shown in the Declarations, unless **your** premises and **your** property covered by the policy on the date of **your** death are sold prior to that date; or
 - b. Until the policy period shown in the Declarations ends, unless **your** premises and **your** property covered by the policy on the date of **your** death are sold prior to the date when the policy period ends.Continuation of coverage after **your** date of death is subject to all of the policy provisions which include payment of the premium due for the policy period set forth on the Declarations page and for any applicable extension of that period. Continuation of coverage after **your** death is subject to the definition set forth above in the definitions section of this policy of who is an **insured** if **you** die while covered under this policy.
14. **Cancellation and Nonrenewal**-Please refer to the Cancellation and Nonrenewal provisions incorporated with this policy by endorsement.