



COMMERCIAL ARTIST COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **G. Definitions**.

A. Coverage

1. Covered Property

We will pay for loss or damage to property consisting of works of art by you being held for sale or sold but not delivered or removed, your property or the property of others in your care, custody or control and for which you may be liable or assume liability prior to loss or damage.

2. Property Not Covered

- a. Covered Property does not include contraband or property in the course of illegal transportation or trade; or
- b. Property while on exhibition at fair grounds or on the premises of any national or international exposition, unless this coverage is added by endorsement and an additional premium is paid.

3. Covered Causes of Loss

We will pay for direct physical loss or damage to Covered Property unless the loss or damage is excluded in Section **B. Exclusions**.

B. Exclusions

- 1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event:

a. War and Military Action

- (1) War, including undeclared war, 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.

b. Governmental Action

Seizure or destruction of property by order of governmental authority.

However, we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Form.

c. Nuclear Hazard

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation or radioactive contamination however caused.

However, we will pay for direct loss or damage caused by resulting fire, if the fire would be covered under this Coverage Form.

2. We will not pay for loss or damage caused by or resulting from:

- a. Wear and tear, any quality in the product which causes it to damage or destroy itself, gradual deterioration;
- b. Insects, vermin, or rodents;
- c. Damage sustained during any process or while actually being worked upon and resulting therefrom, unless caused by fire or explosion;
- d. Breakage of glass or articles of a brittle nature, unless caused by fire, windstorm, flood, explosion, malicious damage or accident to the conveying vehicles;
- e. Design and planning errors;
- f. Delay, loss of use, loss of market or any other consequential loss or damage;
- g. Misappropriation, secretion, conversion, any fraudulent, dishonest, or criminal act or acts by:
 - (1) You, anyone else with an interest in the property or your or their employees whether or not committed alone or in collusion with others, whether or not such act or acts be committed during the hours of employment; or
 - (2) Anyone entrusted with the Covered Property. But this exclusion does not apply to a carrier for hire.
- h. Unexplained loss or damage or shortage disclosed upon taking inventory;
- i. Shipments by mail unless by registered first class mail or parcel post provided however, such shipments by parcel post shall not exceed the sum of \$1,000 in value nor the sum of \$25,000 in value by registered first class mail. However, in no event shall we be liable for more than the Transit limit stated in the Declarations page.

C. Deductible

Each claim for loss or damage separately occurring shall be adjusted separately. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible up to the applicable Limit of Insurance. In the event of any recovery or salvage on loss or damage which has been or is being paid thereunder, such recovery or salvage shall accrue entirely to our benefit under this policy until the sum we paid has been made up.

D. Valuation

General Conditions F. Valuation of the Commercial Inland Marine Conditions is replaced by the following:

In the event of loss or damage, Covered Property will be settled as follows:

- 1. Completed work, if sold or under contract for sale, shall be valued at your selling price.
- 2. Completed work, if not sold, at selling price less 30%.
- 3. Works in progress shall be valued at pro rata of items 1. and 2. above, based upon the stage of completion of the work.
- 4. Property not marked for sale, at your cost.
- 5. Property of others in your care, custody or control will be the amount agreed upon in writing, prior to the loss or damage by you and the owner. Otherwise, we will not be liable beyond the "actual cash value" of that property.

The most we will pay for total or partial loss or damage is the sum insured.

E. Pair, Sets Or Parts

Commercial Inland Marine Condition **G. Pair, Sets Or Parts** of the Commercial Inland Marine Conditions is replaced by the following:

Pair, Sets Or Parts. In the event that any portion of the property insured hereunder is lost, damaged, or destroyed, and which affects the value of the remaining portion, at your option we agree to pay:

1. The insured value of the entire property in accordance with the **Valuation** clause, and you agree to surrender the damaged and sound portions to us; or
2. The measure of loss or damage to such article(s) shall be the reasonable and fair proportion of the total value of the set, giving consideration to the importance of said article(s), but in no event shall it be considered a total loss.

F. Additional Conditions

1. Packing

You represent and agree that the Covered Property will be packed and unpacked by packers who are trained and skilled in utilizing procedures and materials necessary to protect the Covered Property.

2. Records

You will keep a detailed and itemized inventory of all Covered Property. All records pertaining to this insurance shall be open to inspection by our authorized representative at any reasonable time.

3. Coverage Territory

We cover property wherever located, except where U.S. foreign trade sanctions apply.

G. Definitions

"Actual Cash Value" means a calculation of value that pays damages equal to the replacement value of damaged property minus depreciation.