

Insurance for Fine Art Collectors PC 94

Policy Wording

The Underwriters have relied on the proposal form and all other information provided in connection with it in deciding to accept this insurance.

COVER

The property described in the attached schedule ("the schedule") is insured against physical loss or physical damage occurring during the period of insurance while at the named location(s) or within the territorial limits specified in the schedule, subject to the following exclusions, basis of valuation and conditions.

The Underwriters are only liable to the extent that any other valid insurance would fail to cover any claim if this insurance had not been issued.

EXCLUSIONS

This insurance does not cover:

- A.** Loss or damage caused by or resulting from :
 - (i) natural ageing, gradual deterioration, inherent defect, rust or oxidation, moth or vermin, warping or shrinkage;
 - (ii) repairing, restoring, retouching, or any similar process;
 - (iii) aridity, humidity, exposure to light or extremes of temperature unless such loss or damage is caused by storm, frost or fire
- B.** Loss from or damage in or on unattended vehicles, unless in the custody of a competent professional carrier
- C.** Electrical or mechanical fault or breakdown
- D.** The amount of the deductible stated in the schedule for each and every loss
- E.** Loss or damage or liability directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts or foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power.
- F.** Loss or damage caused by or resulting from confiscation, nationalisation, requisition or destruction of or damage to property by or under the order of any government or public or local authority.
- G.**
 - (i) Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss,
 - (ii) any legal liability of whatsoever nature, directly or indirectly caused by or contributed to by or arising from:
 - a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel,
 - b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof,
 - c) nuclear reaction, nuclear radiation or radioactive contamination.

BASIS OF VALUATION

- A.** The basis of valuation for settlement will be:
 - (i) for items individually listed, the value agreed by the Underwriters and shown in the Schedule. The Underwriters will not be liable for more than the agreed value.
 - (ii) for items not individually listed, the market value immediately prior to the loss.

- B.** In the event of partial loss of or damage to any item insured, the amount payable will be the cost and expense of restoration plus any resulting depreciation but not exceeding the full value of that item, valued as in A above.
- C.** Nevertheless in no event will the Underwriters be liable for more than the applicable limits of liability set out in the schedule.
- D.** Following payment of the full amount insured for any item, pair or set, the Underwriters will become the full owners and reserve the right to take possession of the item, pair or set.

CONDITIONS

Underwriters shall not be liable to pay any claim under this insurance unless the Assured complies with all of the following CONDITIONS:

1. **Due diligence**
The Assured must take all reasonable care and measures to protect the insured property and to maintain it in a good and proper condition.
2. **Transits**
The Assured must ensure that the insured property is packed for transit by competent professional packers.
3. **Acquisitions**
The aggregate sum insured may be increased by up to 25% to cover new acquisitions provided Underwriters are notified within 60 days and an additional premium is paid. This allowance will be reinstated following each notification to the Underwriters.
4. **Protections maintenance clause**
The Assured must ensure that all physical protections notified to the Underwriters are engaged whenever the named location(s) are left unattended. The Assured must ensure that all fire alarm and security systems notified to the Underwriters are activated whenever the named location(s) are left unattended. The Assured must also advise the Underwriters as soon as reasonably possible if for any reason a system is not working properly. The Underwriters may then vary the terms and conditions of this insurance. All systems must be regularly serviced under contract by a reputable company at least annually.
5. **Notice and proof of loss**
In the event of loss or damage that may give rise to a claim under this insurance, notice is to be given to the Assured's broker or Agent as soon as reasonably possible, and to the police if a crime is suspected.

In the event of loss or damage to the insured property, the Assured must give the Underwriters such relevant information and evidence as may reasonably be required and co-operate fully in the investigation or adjustment of any claim. If required by the Underwriters the Assured must submit to examination under oath by any person designated by the Underwriters.
6. **Subrogation**
If the Underwriters become liable for any payment under this insurance in respect of a loss, the Underwriters shall be subrogated, to the extent of the payment, to all the rights and remedies of the Assured against any party in respect of the loss and shall be entitled at their own expense to

sue in the name of the Assured. The Assured shall give the Underwriters all such assistance in his power as the Underwriters may require to secure their rights and remedies and, at the Underwriters' request, shall execute all documents necessary to enable the Underwriters effectively to bring suit in the name of the Assured. The Underwriters shall be entitled to all recoveries from any third party up to the amount of their outlay including their own costs and expenses.

7. **Recovered property**

The Assured will have the right to purchase from the Underwriters any property recovered for which the full sum insured has been paid in settlement of a claim at the lesser of :

- (i) the amount of the settled claim plus interest from the date of settlement at a relevant prevailing bank base rate plus loss adjustment and recovery expenses;
- (ii) the fair market value at the time of recovery.

The Underwriters will notify the Assured by post at his last known address of the right to purchase property recovered and the Assured will have 60 days from the date of notice to exercise the right to repurchase.

8. **Misrepresentation and fraud**

If the Assured has concealed or misrepresented any material fact or circumstance relating to this insurance or makes any claim knowing it to be fraudulent, this insurance shall become void.

9. **Cancellation**

This insurance may be cancelled at any time by the Assured in writing to the broker or agent who effected this insurance. The Underwriters will then be entitled to the customary pro-rata proportion of the premium.

This insurance may be cancelled by or on behalf of Underwriters by giving 30 days notice in writing sent by post to the Assured at his last known address. The Underwriters will then be entitled to the pro-rata proportion of the premium. Notice will be deemed to have been given if sent by post properly addressed.

10. **Governing law and jurisdiction**

This insurance is governed by the laws of England and Wales. Any terms or conditions of this policy which are in conflict with the laws of the State or Country where this policy is issued are hereby amended to conform to such laws.

Both the Assured and the Underwriters irrevocably and unconditionally agree to submit any dispute under or in any way relating to this insurance to the exclusive jurisdiction of the courts of England and Wales.

TERRORISM EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

08/10/01
NMA2920

INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
 - 1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
 - 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.
 - 1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

CL370

INSTITUTE CYBER ATTACK EXCLUSION CLAUSE

- 1.1 Subject only to clause 1.2 below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.
- 1.2 Where this clause is endorsed on policies covering risks or war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 1.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

CL380

WAR AND CIVIL WAR EXCLUSION CLAUSE

(Approved by Lloyd's Underwriters' Non-Marine Association)

Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

1/1/38
NMA464

ELECTRONIC DATE RECOGNITION EXCLUSION CLAUSE

For any equipment, integrated circuit, computer chip, computer software and any other computer-related equipment which fails to recognize correctly the date change to the year 2000 or any other date change.

NMA2802

RADIOACTIVE CONTAMINATION AND EXPLOSIVE NUCLEAR ASSEMBLIES EXCLUSION CLAUSE

This policy does not cover:

- a) Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
- b) Any legal liability of whatsoever nature

Directly or indirectly caused by or contributed to by or arising from:

- i. Ionising radiations or contaminations by radioactivity from any nuclear fuel or from any nuclear waste from combustion of nuclear fuel.
- ii. The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

NMA1622

DATA PROTECTION ACT 1998

It is understood by the Assured that any information provided to the Underwriters regarding the Assured will be processed by the Underwriters, in compliance with the provisions of the Data Protection Act 1998, for the purpose of providing insurance and handling claims, if any, which may necessitate providing such information to third parties.

22/6/00
NMA2863

CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999 CLARIFICATION CLAUSE

A person who is not a party to this contract has not right under the Contracts (Rights to Third Parties) Act 1999 to enforce any term of this Contract but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

NMA2852

SPECIAL TAX NOTICE

TAXES PAYABLE BY INSURED AND ADMINISTERED BY INSURERS

United Kingdom

In respect of Fine Art situated in the United Kingdom 5% Insurance Premium Tax shall be levied on the gross premium.

Russia

In respect of Fine Art situated in Russia, RFIB Insurance Brokers are NOT responsible for the charging nor collection of any taxes from the Insured nor queries from Russian authorities which will solely be the responsibility of the Insured and/or their appointed representatives.

LLOYD'S PRIVACY POLICY STATEMENT

UNDERWRITERS AT LLOYD'S, LONDON

The Certain Underwriters at Lloyd's, London want you to know how we protect the confidentiality of your non-public personal information. We want you to know how and why we use and disclose the information that we have about you. The following describes our policies and practices for securing the privacy of our current and former customers.

INFORMATION WE COLLECT

The non-public personal information that we collect about you includes, but is not limited to:

- Information contained in applications or other forms that you submit to us, such as name, address, and social security number
- Information about your transactions with our affiliates or other third-parties, such as balances and payment history
- Information we receive from a consumer-reporting agency, such as credit-worthiness or credit history

INFORMATION WE DISCLOSE

We disclose the information that we have when it is necessary to provide our products and services. We may also disclose information when the law requires or permits us to do so.

CONFIDENTIALITY AND SECURITY

Only our employees and others who need the information to service your account have access to your personal information. We have measures in place to secure our paper files and computer systems.

RIGHT TO ACCESS OR CORRECT YOUR PERSONAL INFORMATION

You have a right to request access to or correction of your personal information that is in our possession.

CONTACTING US

If you have any questions about this privacy notice or would like to learn more about how we protect your privacy, please contact the agent or broker who handled this insurance. We can provide a more detailed statement of our privacy practices upon request.

06/03
LSW1135B