

# ANDERSON GROUP MUSICAL INSTRUMENTS COVERAGE FORM

## Musical Instruments

### Contract

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

The conditions and provisions of this coverage form supersede any similar conditions in the Conditions forms.

### COVERAGE

#### Musical Instruments:

We will pay for direct physical loss or damage to musical instruments which are listed or described on the Schedule of Musical Instruments caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit of Insurance for Musical Instruments shown in the Declarations.

#### Newly Acquired Musical Instruments:

We will pay for direct physical loss or damage to newly acquired musical instruments caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit of Insurance for Newly Acquired Musical Instruments shown in the Declarations.

This coverage applies until the first of the following occurs:

- You report the value of the musical instruments to us;
- 180 days pass from the date you acquire the musical instruments; or
- this policy expires.

We will charge you additional premium for the reported values from the date you acquire the musical instruments.

#### Leased, Rented or Borrowed Musical Instruments:

We will pay for direct physical loss or damage to musical instruments which you lease, rent or borrow from others, caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit of Insurance for Leased, Rented or Borrowed Musical Instruments shown in the Declarations. You must be responsible for insuring such equipment under the terms and conditions of the lease, rental or loan agreement. Leased, Rented or Borrowed Musical Instruments Coverage does not apply to musical instruments which are listed and described on the Schedule of Musical Instruments.

### EXTENSIONS OF COVERAGE

The following Extensions of Coverage are included under your coverage for musical instruments, and are subject to the Limit of Insurance for Musical Instruments shown in the Declarations.

#### Civil Authority:

We will pay for direct physical loss or damage to musical instruments caused by or resulting from actions by a civil authority in an attempt to avoid further loss or damage caused by or resulting from a peril not otherwise excluded.

#### Removal:

We will pay for:

- Any direct physical loss or damage to musical instruments while they are being moved to or while stored at another location for up to 180 days; or
- the cost to remove musical instruments from any premises.

If you must move the musical instruments from a premises to preserve them from loss or damage caused by or resulting from a peril not otherwise excluded.

### ADDITIONAL COVERAGES

Unless otherwise stated, the following Additional Coverages are provided only if a Limit of Insurance for such Additional Coverages is shown in the Declarations.

#### Debris Removal:

We will pay for the costs you incur to remove debris of damaged musical instruments caused by or resulting from a peril not otherwise excluded.

1. The most we will pay for the debris removal is the lesser of:

- a. 25% of the covered direct physical loss or damage; or
  - b. the remaining applicable Limit of Insurance for Musical Instruments shown in the Declarations after payment of the covered direct physical loss or damage.
2. If the amount in 1. above is insufficient to pay the debris removal, we will pay the remaining debris removal, subject to the applicable Limit of Insurance for Debris Removal shown in the Declarations.

Debris removal will be paid only if:

- a. reported to us in writing within 180 days of the date of the direct physical loss or damage to the musical instruments; and
- b. a Limit of Insurance applicable to the lost or damaged musical instruments shown in the Declarations.

Debris removal does not apply to costs to:

- clean up or remove pollutants from air, land, or water, either inside or outside of a building or structure; or
- clean up, remove, restore or replace polluted air, land, or water, either inside or outside of a building or structure

#### Diminished Value

If your Covered Property is repaired due to a Covered Cause of Loss and the value of the property has been diminished after repairs are completed, we will pay for the reduction in value from the declared value of that property on the latest statement of values submitted to us prior to the loss.

The maximum we will pay on any one claim for repair costs plus diminished value will be the declared value of that property on the latest statement of values submitted to us prior to the loss.

#### Diminished Value Appraisals

- a. Two (2) diminished value appraisals completed by a competent appraiser of such property, shall be submitted estimating the percent of value the instrument has lost. We will pay for these two appraisals at our expense.
- b. If the two (2) appraisals differ by ten (10) percent or less, the higher of the two (2) appraisals will be used, and the percent of declared value paid to you for the diminished value.
- c. If the two (2) appraisals differ by more than ten (10) percent, we will pay the lower percentage plus 10%.
- d. We will allow, at your expense, a third appraisal. We will pay the average percentage of the three (3) submitted diminished value appraisals.

#### Fire Department Service Charges:

We will pay the charges you assume by contract or agreement executed prior to loss, or charges you are required to pay by local ordinance if the fire department is called to save or protect your musical instruments from direct physical loss or damage caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit of Insurance for Fire Department Service Charges shown in the Declarations.

#### Fire Protective Equipment:

We will pay the cost you incur to refill your discharged fire protective equipment whether or not there is direct physical loss or damage to your musical instruments.

This Additional Coverage is provided regardless of whether a Limit of Insurance is shown in the Declarations.

#### Inventory or Appraisals:

We will pay the cost of any inventory or appraisal that we require from you to determine the extent of direct physical loss or damage to musical instruments, not to exceed the Applicable Limit of Insurance for Inventory or Appraisals shown in the Declarations.

#### Pollutant Clean up or Removal:

We will pay the cost you incur to clean up or remove pollutants from air, land, or water, either inside or outside of a building or structure, if:

- the pollutants were part of musical instruments; and
- the discharge, dispersal, seepage, migration, release or escape of the pollutants is caused by or resulting from a peril not otherwise excluded.

These costs will be paid only if they are reported to us in writing within 180 days of the date the peril occurred which caused or resulted in the discharge, dispersal, seepage, migration, release or escape of the pollutants.

The applicable Limit of Insurance shown in the Declarations for Pollutant Clean up or Removal is the most we will pay for the sum of all such covered costs caused by or resulting from perils not otherwise excluded that occur during each separate 12-month policy period, regardless of whether this Additional Coverage appears in any other contract or contracts that form part of this policy.

We will not pay for the costs to test for, monitor, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of pollutants other than payment for testing which is performed during the clean up or removal of the pollutants from the air, land, or water, either inside or outside of a building or other structure.

#### **EXCLUSIONS**

##### **Acts or Decisions:**

This insurance does not apply to loss or damage caused by or resulting from acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

##### **Disappearance:**

This insurance does not apply to loss or damage caused by or resulting from disappearance or shortage disclosed on taking inventory, where there is no physical evidence to show what happened.

This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

##### **Dishonesty:**

This insurance does not apply to loss or damage caused by or resulting from fraudulent, dishonest or criminal acts or omissions committed alone or in collusion with others by you, your partners, directors, trustees, and employees or by anyone authorized to act for you, or anyone to whom you have entrusted covered property for any purpose.

This exclusion does not apply to:

1. acts of vandalism;
2. acts committed by carriers for hire, or anyone claiming to be a carrier for hire; other than:
  - a. you, your partners, directors, trustees and employees; or
  - b. anyone authorized to act for you
3. acts committed by a warehouseman for hire, other than you, your partners, directors, trustees, and employees or by anyone authorized to act for you; or
4. ensuing loss or damage unless another exclusion applies.

##### **Governmental Action:**

This insurance does not apply to loss or damage caused by or resulting from seizure, confiscation, expropriation, nationalization or destruction of property by order of governmental authority, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to;
- contributes in any sequence to; or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

This exclusion does not apply to loss or damage caused by or resulting from 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 insurance.

##### **Latent Defect:**

This insurance does not apply to loss or damage caused by or resulting from latent defect or any quality within any musical instrument which causes loss or damage to it.

This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

##### **Loss of Market:**

This insurance does not apply to loss or damage caused by or resulting from loss of market, loss of use or delay.

This exclusion does not apply:

- to ensuing loss or damage unless another exclusion applies; or
- to the extent of any business income insurance or extra expense insurance provided by a separate contract or endorsement forming a part of this policy.

##### **Nuclear Hazard:**

This insurance does not apply to loss or damage caused by or resulting from nuclear reaction or radiation, or radioactive contamination, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to;
- contributes in any sequence to; or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

This exclusion does not apply to ensuing loss or damage caused by or resulting from fire, if the fire would be covered under this insurance.

Planning, Design, Materials or Maintenance:

This insurance does not apply to loss or damage (including the costs of correcting or making good) caused by or resulting from any faulty, inadequate or defective:

- planning, zoning, development, surveying, site selection;
- design, specifications, plans, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- materials used in repair, construction, renovation or remodeling; or
- maintenance,

or part or all of any property wherever located.

This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

Pollutants:

This insurance does not apply to:

1. loss or damage caused by or resulting from the mixture of or contact with property and a pollutant when such mixture or contact causes the property to be impure and harmful to:
  - a. itself or other property;
  - b. persons, animals or plants;
  - c. air, land or water; or
  - d. any other part of an environment,

either inside or outside of a building or structure. This exclusion applies regardless of any other cause or event that directly or indirectly:

- a. contributes concurrently to;
- b. contributes in any sequence to; or
- c. worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

But Paragraph 1 does not apply to

- a. the mixture of or contact between property and pollutants if the mixture or contact is directly caused by or directly resulting from a specified peril;
- b. the mixture of or contact between property you own, use or operate and pollutants if:
  - 1) the pollutants were part of or emitted from such property; and
  - 2) the mixture of or contact between such property and pollutants is directly caused by or directly resulting from a peril not otherwise excluded;
- c. a gas, water or other liquid which escapes from processing equipment, plumbing systems, refrigeration systems, cooling systems or heating systems (other than underground oil tanks, underground piping or underground tubing) provided such gas, water or other liquid is intended to be contained in such processing equipment; plumbing systems, refrigeration systems, cooling systems or heating systems;
- d. any solid, liquid or gas used to suppress fire;
- e. water which:
  - 1) backs up or overflows through sewers, drains or sump;
  - 2) seeps or leaks through basements, foundations, roofs, walls, floors or ceilings of any building or other structure; or
  - 3) enters doors, windows or other openings in any building or other structure.

Paragraphs b through d above do not apply to loss or damage involving:

- a. radon or any other naturally occurring gaseous irritant or contaminant;
- b. organisms or micro-organisms including bacteria, fungus, mold or their spores or products; or
- c. viruses or other pathogens; or

2. Any increase in costs, loss or damage associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of pollutants regardless of any other cause or event that directly or indirectly:

- contributes concurrently to;
- contributes in any sequence to; or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

But Paragraph 2 does not apply to the Additional Coverage, Pollutant Clean up or Removal.

#### War and Military Action:

This insurance does not apply to loss or damage caused by or resulting from:

- war, including undeclared or civil war;
- 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;
- insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these,

regardless of any other cause or event that directly or indirectly:

- contributes concurrently to;
- contributes in any sequence to; or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

#### Wear and Tear:

This insurance does not apply to loss or damage caused by or resulting from wear and tear or gradual deterioration.

This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

#### COVERAGE TERRITORY

The coverage territory is anywhere within, and in transit within, and between points and places worldwide. However, this coverage does not apply to shipments of musical instruments to, from, or which pass through, or musical instruments which are located within, any country on which the Government of the United States of America has imposed sanctions which prohibit trade, unless you have received permission from the Department of State of the United States of America, even if you are incorporated, chartered, or otherwise formed outside of the United States of America.

#### LIMIT OF INSURANCE

The most we will pay in any one occurrence is the amount of loss or damage, not to exceed the applicable Limit of Insurance shown in the Declarations, regardless of whether any Coverage, Extension of Coverage or Additional coverage appears in any other contract or contracts which form a part of this policy.

#### DEDUCTIBLE

We will pay the amount of loss or damage in excess of the applicable deductible amount shown in the Declarations for each occurrence.

Except for any deductible for Business Income or Extra Expense shown in the Declarations, if two or more deductibles apply to the same occurrence, only the largest single deductible will apply, unless otherwise stated.

#### Common Carrier Increased Deductible

If a Common Carrier Deductible is shown in the Declarations, it replaces the policy deductible for loss or damage to Covered Property while in the possession of a common carrier, contract carrier, or transportation company.

If a Common Carrier Deductible is not shown in the Declarations, the policy deductible applies to loss or damage to Covered Property while in the possession of a common carrier, contract carrier, or transportation company.

Common carrier, contract carrier, or transportation company means a contract or public truckman or a motor, rail, or air transportation company that charges a fee for shipment of property or transportation of people, including any connecting truckman or transportation company.

#### LOSS PAYMENT BASIS

Subject to the Limit of Insurance for Musical Instruments shown in the declarations:

1. Musical Instruments are valued on a replacement cost basis described below, unless:
  - a. the Loss Payment Basis shown in the Declarations is Actual Cash Value; or
  - b. otherwise stated under Loss Payment Basis Exceptions; and
2. Musical Instruments valuation includes costs you incur as described below under Extended Warranties.

### Our Loss Payment Options:

In the event of loss or damage covered by this insurance, at our option we will either:

- pay the covered value of the lost or damaged musical instruments;
- pay the cost of repairing or replacing the lost or damaged musical instruments, plus any reduction in value of the repaired items;
- take all or part of the musical instruments at an agreed or appraised value; or
- repair or replace the musical instruments with other musical instruments of comparable material and quality for the same use.

### Replacement Cost Basis:

Lost or damaged musical instruments will be valued at the full cost to repair or replace them at the time of loss or damage, including customs duties incurred, but not more than you actually spend to repair or replace the musical instruments for the same use. There is no deduction for physical deterioration, depreciation, obsolescence or depletion.

If you do not repair or replace the musical instruments, we will only pay as provided under Actual Cash Value Basis.

If you commence the repair or replacement of the lost or damaged musical instruments within 24 months from the date of loss or damage, we will pay you the difference between the actual cash value previously paid and the replacement cost at the time of loss or damage.

### Actual Cash Value Basis:

If the Loss Payment Basis shown in the Declarations is actual cash value, lost or damaged musical instruments will be valued at the full cost to repair or replace them at the time of loss or damage with material of like kind and quality, less allowance for each of the following:

- physical deterioration
- depreciation
- obsolescence; and
- depletion

### Extended Warranties:

Musical instruments valuation includes the pro-rated cost for the unused portion of non-refundable extended warranties, maintenance contracts or service contracts that you purchased, which are no longer valid on lost or damaged musical instruments that you repair or replace.

## LOSS PAYMENT BASIS EXCEPTION

### Musical Instruments of Others:

Musical Instruments not owned by you and in your care, custody or control are valued on the same basis as your musical instruments, but we will not pay more than the amount for which you are legally liable.

## CONDITIONS

### Abandonment:

There can be no abandonment of any musical instruments to us unless we specifically agree to such abandonment in writing.

### Loss Payable:

For musical instruments in which both you and a Loss Payee shown in the Declarations have an insurable interest, we will:

- adjust losses with you; and
- pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear

### Loss Payment:

1. We will pay for covered direct physical loss or damage within 30 days after we receive the sworn proof of loss, if you have completed with all of the terms of this insurance, and
  - a. we have reached an agreement with you on the amount of loss; or
  - b. an appraisal award has been made
2. We will not pay you more than your financial interest in the musical instruments.
3. We may adjust losses with the owners of lost or damaged musical instruments if other than you. If we pay the owners, such payments will satisfy your claims against us for the owner's musical instruments. We will not pay the owners more than their financial interest in such property.

4. We may elect to defend you against suits arising from claims of owners of musical instruments. We will do this at our expense.

Other Insurance:

If you have other insurance against loss or damage covered by this policy, we shall not pay any amount greater than the proportion that the applicable Limit of Insurance shown in the Declarations bears to the total applicable limits of insurance covering the loss or damage.

This insurance is excess of any other insurance for musical instruments not owned by you and in your care, custody or control.

Recovered Musical Instruments:

If any lost or damaged musical instruments are recovered by you or us after a loss payment is made, the party making the recovery must give the other party prompt notice.

If any lost or damaged musical instruments have a salvage value, we shall control the disposition of the salvage.

When musical instruments are recovered, you may:

- keep the recovered musical instruments and return the loss payment to us; or
- keep the loss payment and we will keep the recovered musical instruments

If any recovered musical instruments have salvage value, or if there is any money recovered through subrogation, we will reimburse you, from the amount recovered for:

- the deductible amount that was paid;
- the penalties you paid as a result of coinsurance, if applicable, and
- any uninsured loss or damage resulting from an insufficient Limit of Insurance

If there are any expenses in recovering any lost or damaged musical instruments, or through subrogation, we will share the expenses with you in proportion to the amount we are each reimbursed.

Reporting:

Reporting applies to Leased, Rented or Borrowed Musical Instruments only if shown in the Declarations.

If Leased, Rented or Borrowed Musical Instruments is subject to reporting, you must report to us annually within 30 days following the end of each policy period, your total expenditures during the policy period for Leased, Rented or Borrowed Musical Instruments.

We will determine your actual earned premium for Leased, Rented or Borrowed Musical Instruments by applying the rate per \$100 shown in the Declarations to your reported expenditures.

If the earned premium so determined is:

- less than the provisional premium previously charged, we will return the difference to you. However, the annual earned premium will not be less than any minimum premium shown in the Declarations; or
- greater than the provisional premium previously charged, we will bill you for the additional premium. This additional premium must be paid to us within thirty days of the billing date.

**DEFINITIONS**

When used with respect to insurance under this contract:

Musical Instruments:

Musical Instruments means:

- Musical instruments and related equipment and accessories, which you own, or which are owned by others and in your care, custody or control.

Musical Instruments does not mean:

- Accounts, bills, deeds, evidences of debt or other valuable papers or records;
- Aircraft, motor vehicles, trailers, semi-trailers or watercraft
- Furniture, fixtures, furnishings, office machinery or equipment, stationery and tenants' improvements and betterments
- Jewelry, watches, furs, garments trimmed with fur, bullion, precious metals, precious or semi-precious stones or gems, or stamps or coins whose value exceeds face value; or
- Money, notes or securities

Pollutants:

Pollutants means:

- Any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fibers, fumes,
- acids, alkalis, chemicals and waste. Waste includes materials to be disposed of, recycled or reclaimed;
- Organisms or microorganisms including bacteria, fungus, mold or their sports or products; or
- Viruses or other pathogens

Specified Peril:

Specified Peril means:

- Aircraft of self-propelled missiles
- Explosion
- Fire or lightning
- Leakage from fire protection equipment
- Mine subsidence
- Riot or civil commotion
- Sinkhole collapse
- Smoke
- Vandalism
- Vehicles
- Volcanic action
- Wind or hail.