

MUSICAL INSTRUMENT 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 **F - DEFINITIONS**.

A. COVERAGE

We will pay for "loss" to Covered Property from any of the Covered Causes of Loss.

1. **Covered Property**, as used in this Coverage Form, means:

- a. Musical instruments and related equipment and accessories listed in the Declarations; and
- b. Similar property of others that is in your care, custody or control listed in the Declarations.

2. **Property Not Covered**

Covered Property does not include contraband, or property in the course of illegal transportation or trade.

3. **Covered Causes of Loss**

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL "LOSS" to Covered Property except those causes of "loss" listed in the Exclusions.

4. **Coverage Extensions**

We will pay for "loss" from a Covered Cause of Loss for each of the following Coverage Extensions:

a. **Instrument Cases**

We will pay for "loss" from a Covered Cause of Loss to your instrument cases used to transport and store Covered Property. The most we will pay under this Coverage Extension will not exceed \$1,000 in any one policy period unless an increased limit is shown elsewhere in this policy.

b. **Newly Acquired Property**

If during the policy period you acquire additional property of a type already covered by this form, we will cover such property for up to 30 days, but not beyond the end of the policy period. The most we will pay in a "loss" is the lesser of:

(1) 25% of the total Limit of Insurance shown in the Declarations for that type of property; or

(2) \$20,000.

You will report such property within 30 days from the date acquired and will pay any additional premium due. If you do not report such property, coverage will cease automatically 30 days after the date the property is acquired or at the end of the policy period, whichever occurs first.

5. **Additional Coverages**

a. **"Consequential Reduction In Value"**

If we elect to repair Covered Property as a result of a Covered Cause of Loss, we will cover the "consequential reduction in value" if any. In no event will we pay more than the Limit of Insurance shown in the Declarations.

B. EXCLUSIONS

1. We will not pay for a "loss" caused directly or indirectly by any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

a. **Governmental Action**

Seizure or destruction of property by order of governmental authority. But we will pay for "loss" 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 Coverage Form.

b. **Nuclear Hazard**

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause.

But we will pay for direct "loss" caused by resulting fire if the fire would be covered under this Coverage Form.

c. War and Military Action

- (1) War, including undeclared or 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.
2. We will not pay for a "loss" caused by or resulting from any of the following:
- a. Delay, loss of use, loss of market or any other consequential loss other than "consequential reduction in value".
 - b. Theft from an unattended vehicle.

But we will pay for theft of Covered Property from an unattended vehicle if at the time of the theft, all the vehicle's doors, windows and compartments were closed and locked and there are visible signs that the theft was a result of forced entry.

This exclusion does not apply to property in the custody of a carrier for hire.
 - c. Wear and tear, mold, wet or dry rot, rust or corrosion, any quality in the property that causes it to damage or destroy itself, gradual deterioration, insects, vermin or rodents.

C. LIMITS OF INSURANCE

The most we will pay for "loss" in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

D. DEDUCTIBLE

We will not pay for "loss" in any one occurrence until the amount of the adjusted "loss" before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted "loss" in excess of the Deductible, up to the applicable Limit of Insurance.

E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

1. Coverage Territory

We cover property wherever located.

2. Valuation

In the event of "loss", the value of your Covered Property as of the time of "loss" will be the Limit of Insurance shown in the Declarations for that property.

3. Buyback Option

You have the right to buy back from us any of your property which we recover for the amount we paid you. If the recovered property is damaged and we have paid you a total loss, you may buy the property back at the "fair market value" at the time of repurchase.

F. DEFINITIONS

1. "Consequential reduction in value" means the difference between the scheduled limit of insurance shown on the Declarations for Covered Property and its "fair market value" after a covered "loss" and subsequent repair.
2. "Fair Market Value" means the price at which property would change hands between a willing buyer and a seller, each having reasonable knowledge of all pertinent facts and neither being under pressure to buy or sell.
3. "Loss" means accidental loss or damage.