

TERRORISM COVERAGE NOTICE

Coverage for acts of terrorism is included in your policy.

You are hereby notified that the Terrorism Risk Insurance Act, as amended in 2019, defines an act of terrorism in Section 102(1) of the Act: The term “act of terrorism” means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers’ liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism is included with your premium and does not include any charges for the portion of losses covered by the United States government under the Act.

NOTICE TO STANDARD FIRE STATE POLICYHOLDERS: In certain states (“standard fire states”), a terrorism exclusion makes an exception for (and thereby provides coverage for) fire losses resulting from an act of terrorism. Coverage for such fire losses will be provided in your policy, subject to all other policy terms, conditions and exclusions.

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.



AM BEST CREDIT RATING

CARRIER: HARCO NATIONAL INSURANCE COMPANY

AM BEST RATING: A- (Excellent)

AM Best is a global credit rating agency with a focus on the insurance industry. This rating is a recognized indicator of an insurer's financial strength and ability to meet ongoing obligations to policyholders. Lockton Affinity does not perform an independent analysis and therefore cannot guarantee or make any representations in regards to the financial condition of any insurance companies with which we place business.

Visit ambest.com for more information about AM Best and their rating methodology.

AM Best is not engaged in the offer or sale of any security and does not provide investment advice of any kind. These ratings are not a warranty of an insurer's current or future ability to meet its contractual obligations. Further, all ratings, are provided "as is," without warranty of any kind, express or implied. The rating information is current as of the delivery date of this policy and is subject to change without notice.

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YOUR

COMMERCIAL POLICY

ISSUED BY

**HARCO NATIONAL
INSURANCE COMPANY**

A Stock Company

Address & Telephone Number:

**4200 Six Forks Road
Raleigh, NC 27609
(844) 401-9444**

A Member of:



IN WITNESS WHEREOF, the Company has caused the facsimile signatures of its President and Secretary to be affixed hereto, and caused this policy to be signed on the Declarations Page by an authorized representative of the Company.

Michael D. Blum
Secretary

D-P-5
President



FIREARM AND ACCESSORIES COVERAGE DECLARATIONS, TERMS AND PROVISIONS

POLICY NUMBER: SPECIMEN

New or Renewal of: NEW

Item 1. Named Insured Information
SPECIMEN

Item 2. Policy Period
From: 06/08/2021 To: 06/08/2022

Both dates at 12:01 a.m. Local Standard Time at the Address shown in Item 1.

Item 3. Notification of Claim or Suits:
Lockton Affinity, LLC
844-401-9444

Item 4. Producer
Lockton Affinity, LLC
10895 Lowell Avenue, Suite 300
Overland Park, KS 66210

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

Item 5. Premium
Coverage Premium \$ SPECIMEN ONLY
Certified Acts of Terrorism \$ INCLUDED
Total Premium \$ SPECIMEN ONLY

Item 6. Covered Property and Limits of Insurance

While at Your Location, at any Other Location or In Transit

\$ 1,500	Scheduled Property Limit
\$ 12,000	Unscheduled Property Limit
\$ 13,500	Maximum Any One Occurrence

Item 7. Deductible: \$ 250

Item 8. Endorsements Effective at Inception – See Schedule of Forms and Endorsements

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY

Countersigned:

By



Authorized Representative

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FIREARM AND ACCESSORIES SCHEDULE OF FORMS AND ENDORSEMENTS

Form Number & Ed. Date		Title
LO 02 09	02 21	Commercial Policy Jacket
LO 02 01	12 20	Firearm and Accessories Coverage Declarations, Terms and Provisions
LO 02 04	12 20	Schedule of Firearms
LO 02 03	12 20	Firearm and Accessories Schedule of Forms and Endorsements
SCHED LOC		Schedule of Locations
LO 02 02	12 20	Firearm and Accessories Coverage Form
CM 00 01	09 04	Commercial Inland Marine Conditions
IL0017	11 85	Common Conditions
IL0935	07 02	Exclusion of Certain Computer-Related Losses Endorsement
IL0985	12 20	Disclosure Pursuant to Terrorism Risk Insurance Act Endorsement
IL0952	01 15	Cap on Losses From Certified Acts Of Terrorism

POLICYHOLDER NOTICES

We have included Policyholder Notices in order to advise you of various insurance topics that may have impact on your policy. Coverage is not provided or amended by these notices, nor can they be construed to replace any provisions of your policy. A listing of Policyholder Notices is provided below for your convenience only.

PIL 20 21	12 20	Terrorism Coverage Notice
ILP001	01 04	U.S. Treasury Dept. OFAC Advisory Notice
		Policy Holder Notice - Explanation of A.M. Best Rating

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POLICY NUMBER: SPECIMEN

SCHEDULE OF LOCATIONS

Loc. No.	Bldg. No	Designated Locations (Address, City, State, ZIP Code)
1	01	SPECIMEN

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FIREARM AND ACCESSORIES 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 direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property

Covered Property, as used in this Coverage Form, means owned property consisting principally of:

- a. "Firearms", air guns, bows and arrows
- b. Antique, collectible, and other "firearms", and similar collectible weaponry;
- c. "Firearms" and "accessories" on exhibition at fair grounds, gun shows, or on the premises of any regional, national or international exposition.

We only cover such property when Limits of Insurance are shown in the Declarations while the property is:

- a. A location listed in the Declarations, or Schedule;
- b. At Any Other Location not described in the Declarations; or
- c. In Transit.

2. Property Not Covered

Covered Property does not include:

- a. Property while being repaired, restored or retouched or undergoing other similar work.
- b. Contraband, or property in the course of illegal transportation or trade.
- c. Property pertaining to the business of a commercial gun dealer.
- d. Illegal weapons. Illegal weapons shall include "firearms" prohibited by any Federal, State, or local jurisdiction or regulatory agency.
- e. Ammunition, bayonets, knives, binoculars, hunting glasses and spotting scopes.
- f. Cannons (full scale or miniature).
- g. Clips, magazines, holsters and gun cases unless the "firearm" they are used with is part of the loss claimed.

3. Covered Causes of Loss

Covered Causes of Loss means Direct Physical Loss or Damage to Covered Property except those causes of loss listed in Section **B. EXCLUSIONS** or added by endorsement.

4. Additional Coverages

The Limits of Insurance stated in the specific Additional Coverage apply as additional amounts of insurance, unless otherwise stated within the Additional Coverage.

a. Claim Preparation Expense

We will pay for the actual and necessary expense you incur in preparing your claim when we require it. This includes the cost of taking inventories, making appraisals and preparing other documentation to show the extent of loss. We will not pay for:

- (1) Any expenses incurred, directed, or billed by or payable to attorneys, insurance adjusters or their associates or subsidiaries;
- (2) Any costs as provided in the Loss Condition – Appraisal; or
- (3) Any expenses incurred, directed, or billed by or payable to insurance brokers or agents, or their associates or subsidiaries, without our written consent prior to such expenses being incurred.

The most we will pay under this Additional Coverage in any one occurrence is \$500.

b. Earth Movement

We will pay for direct physical loss or damage to covered property caused by or resulting from earth movement. The most we will pay under this Additional Coverage in any one occurrence regardless of the types or number of items lost or damaged or locations involved is \$30,000. This limit is part of and does not increase the Limit of Insurance applicable to Covered Property. Unscheduled property remains limited to a maximum per item payment of \$2,500 as described in **Section E. Additional Conditions, Paragraph – “Unscheduled Items and Related Items”**. Exclusion **B.1.a. – Earth Movement** still applies except to the extent that coverage is provided under this Additional Coverage.

c. Fire or Police Department Service Charge

We will pay your liability for fire, police or other public emergency service department charges when such public emergency services are called to save or protect Covered Property from a Covered Cause of Loss. Such emergency service department charges must be:

- (1) Assumed by contract or agreement prior to loss or damage; or
- (2) Required by local ordinance.

The most we will pay under this Additional Coverage in any one occurrence is \$500. No deductible applies to this Additional Coverage.

d. Fire Protective Systems

- (1) We will pay the actual expenses you incur to recharge or refill any hand-held or automatic fire extinguishing system when the system is discharged:

- a. To fight a fire;
- b. As a result of a Covered Cause of Loss; or
- c. By accident

- (2) We will not pay for any recharge or refill expenses you incur as a result of:

- a. Testing, maintenance or demonstration of any firefighting device or system; or
- b. The enforcement of any ordinance or law that regulates the recharging, repair or replacement of any firefighting device or system.

The most we will pay under this Additional Coverage in any one occurrence is \$500.

e. Flood

We will pay for direct physical loss or damage to covered property caused by or resulting from flood. The most we will pay under this Additional Coverage in any one occurrence regardless of the types or number of items lost or damaged or locations involved is \$30,000. This limit is part of and does not increase the Limit of Insurance applicable to Covered Property. Unscheduled property remains limited to a maximum per item payment of \$2,500 as described in **Section E. Additional Conditions, Paragraph 6b – Unscheduled Items and Related Items**. Exclusion **B.1.b. – Flood** still applies except to the extent that coverage is provided under this Additional Coverage

f. Newly Acquired Property

If during the policy period you acquire additional property of a type already covered by this Coverage Form, we will cover such equipment for up to 180 days after you acquire the property, but not beyond the end of the policy period.

You will report values of such property to us within 180 days from the date you take possession and will pay any additional premium due. If you do not report such property, coverage will cease automatically 180 days after the date the property is acquired or at the end of the policy period, whichever occurs first.

The most we will pay under this Additional Coverage in any one occurrence is 25% of the applicable Limit of Insurance, but not more than the Newly Acquired Property Limit of Insurance shown in the Declarations. This limit applies to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

g. Reward Coverage

We will reimburse you for reward expenses you have incurred for information leading to the return of stolen Covered Property to a law enforcement agency; or the arrest and conviction of any person who has damaged or stolen any of your Covered Property.

The most we will pay under this Additional Coverage in any one occurrence is \$500. Any reward payments you make must be documented. No deductible applies to this Additional Coverage.

h. Worldwide Coverage

We cover property while located, or being transported by air, anywhere in the world, for any trip up to a maximum of sixty (60) days per trip and up to a maximum sum incurred of \$10,000. This insurance does not apply:

- (1) If loss or damage occurs in a country or jurisdiction in which we are not licensed to provide this insurance and that insuring such loss would violate the laws or regulations of such country or jurisdiction; or
- (2) If loss or damage exposes us or any of our affiliated or parent companies to any trade or economic sanction under any law or regulation of the United States of America; or any other applicable trade or economic sanction prohibition or restriction.

5. Territorial Limits

"We" cover property while it is in the United States of America, its territories and possessions, U.S Virgin Islands or as provided under section **A.4. Additional Coverages, h. Worldwide Coverage**.

B. EXCLUSIONS

1. 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 that contributes concurrently or in any sequence to the loss or damage.

a. Earth Movement

Except as provided under **Additional Coverages – Earth Movement**, we do not pay for loss or damage caused directly or indirectly by earth movement. As used in this exclusion, earth movement means any of the following, all whether naturally occurring or due to man-made or other artificial causes:

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole collapse), rising or shifting; or
- (5) Volcanic eruption, explosion or effusion.

This exclusion does not apply to Property in Transit.

b. Flood

Except as provided under **Additional Coverages – Flood**, we do not pay for loss or damage caused directly or indirectly by flood. As used in this exclusion, flood means any of the following, all whether naturally occurring or due to man-made or other artificial causes:

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - a. Foundations, walls, floors or paved surfaces;
 - b. Basements, whether paved or not; or
 - c. Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraphs (1) or (4) above, or material carried or otherwise moved by mudslide or mudflow.

This exclusion does not apply to Property in Transit.

c. Governmental Action

Seizure or destruction of property by order of governmental authority. Confiscation by order of any government or public authority and risks of contraband or illegal transportation or trade. This exclusion shall not be construed to apply to damage or destruction by civil authority during a conflagration and for the purpose of retarding the same, provided neither such conflagration nor such damage or destruction is caused or contributed to by war.

But we will pay for 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 Coverage Form.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

e. 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, invasion, seizure or destruction under quarantine or customs regulations, invasion, hostilities, rebellion, insurrection or warlike operations. This exclusion shall not be affected by any endorsement which does not specifically refer to it, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

Exclusions **B.1.a.** through **B.1.e.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. Loss or damage caused by or resulting from any of the following:

- a. Delay, loss of use, or any other consequential loss.
- b. Dishonest or criminal act (including theft) committed by:
 - (1) You, any of your partners, employees (including temporary employees and leased workers), officers, directors, trustees, or authorized representatives;
 - (2) A manager or a member if you are a limited liability company; or
 - (3) Anyone else with an interest in the property, or their employees (including temporary employees and leased workers) or authorized representatives;

whether acting alone or in collusion with each other or with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

This exclusion does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.

- c. Damage or destruction caused by strikers, locked out workers, or persons taking part in labor disturbances, riots
- d. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".
- e. Any act an insured commits or conspires to commit with the intent to cause a loss.

In the event of such loss, no insured is entitled to coverage, including insureds who did not commit or conspire to commit the act causing the loss.
- f. Theft of Covered Property from an unattended vehicle, unless 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 any carrier for hire, hired the services of a commercial shipper, airline, train, bus line, or similar service provider to transport covered property.
- g. Voluntary parting with any property by you or anyone else to whom you have entrusted the property.
- h. Any repair process, restoration, cleaning or retouching, or work on the property.
- i. Damage to clips, magazines, holsters and gun cases unless the "firearm" they are used with is part of the loss claimed.

3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.
 - a. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration.
 - b. Insects, birds, rodents or other animals.
 - c. Wear and tear.
 - d. Loss or damage caused by or resulting from mold or mildew.
 - e. Loss or damage due to or resulting from mysterious disappearance or glass breakage
 - f. Loss or damage to a "firearm" resulting from it being loaded or fired
 - g. Caused by bursting or bulging gun barrels, faulty ammunition, rust, fouling, marring, scratching, wear, tear or gradual deterioration, mechanical breakdown, malfunction or defect, or loss caused by or during any process of repairing, refinishing or renovation.

C. LIMITS OF INSURANCE

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

1. At Your Location;
2. At Any Other Location;
3. In Transit; and
4. Any One Occurrence.

D. DEDUCTIBLE

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

The Deductible shown in the Declarations applies to the Additional Coverages, unless otherwise stated within the specific Additional Coverage, but if loss or damage involves more than one Coverage or Additional Coverage under this coverage form, we will deduct only the largest applicable deductible.

E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the **CONDITIONS** in the **COMMERCIAL INLAND MARINE** Common Policy Conditions:

1. Buy Back Agreement

If we pay you for property and that property is recovered, you have the right to buy that property from us. The buy-back price of such property will be the "fair market value" of the damaged property on the date of your purchase. We will attempt to notify you of any damaged or recovered property you may buy back. You will have 65 days from the mailing date of the notice to repurchase the property.

2. Deductible Waiver – Property in Transit

No deductible shall apply to property in transit by the United States Postal Service or other common or contract carrier, when such property is insured with the carrier for an amount equal or greater than the deductible shown in the Declarations.

3. Minimum Premium

You must pay at least the minimum premium shown in the Declarations.

4. Pair or Sets

The Pair, Sets or Parts **LOSS CONDITION** in the **COMMERCIAL INLAND MARINE CONDITIONS** is replaced by the following:

Pair or Sets

In case of a total loss or damage to any part of a pair or set we will pay the Limit of Insurance applicable to that pair or set. You will surrender to us the remaining items of the pair or set.

In case of a partial loss to any part of a pair or set, we may:

Repair or replace any part to restore the pair or set to its value before the loss or damage; or

Pay the difference between the value of the pair or set before and after the loss.

5. Records and Inventory

You agree to maintain detailed and accurate records and inventory of all Covered Property including the location of the property. You will make such records and inventory available to us at any reasonable time that we may request. You also agree to retain such records and inventory for three years after the end of the policy period.

6. Valuation

The **VALUATION GENERAL CONDITION** in the **COMMERCIAL INLAND MARINE CONDITONS** is replaced by the following:

Valuation

In the event of loss or damage, we will determine the value of Covered Property at the time of loss or damage as follows:

a. Scheduled Items

The value of each item that is individually listed and described is the amount shown for that item in the Declarations, or on the most current schedule you provided and that is on file with us, not to exceed the "fair market value".

But if a Scheduled Item describes a group of items by general type, category or location, any one item will be valued at "fair market value", not to exceed the Limit of Insurance applying to such group of items.

b. Unscheduled Items and Related Items

The value of any unscheduled item will be the "fair market value" of the item(s) sustaining loss or damage.

The most we will pay for any one unscheduled item will not exceed the Limit of Insurance or \$2,500 per item for Any One Unscheduled Item shown in the Declarations.

We will settle your claim on a "fair market value" basis and not pay on a replacement cost or actual cash value basis for any loss or damage

c. Accessories

The value of "accessories" will be the cost to replace (without deduction for depreciation) the lost or damaged property, but we will not pay more for loss or damage on a replacement cost basis than the least of the following:

- (1) The Limit of Insurance applicable to the lost or damaged Covered Property;
- (2) The cost to replace such property with other property of similar quality and capability and used for the same purpose; or
- (3) The amount you actually spend to repair or replace the lost or damaged Covered Property with other property of similar quality and capability and used for the same purpose.

If the lost or damaged Covered Property is not repaired or replaced within 180 days of the date of loss or damage, we will value the property on an actual cash value basis.

d. Diminution in Value

The following is added to **Part E. LOSS PAYMENT** in the **COMMERCIAL INLAND MARINE CONDITIONS**:

Any loss payment we make for covered loss or damage to Covered Property will include any reduction in value between the value of the property prior to loss or damage and the value of the property after repair or restoration following loss or damage.

7. Reassignment or Transfer of Policy Not Allowed

The policy shall be null and void if reassigned or transferred to another Named Insured.

F. DEFINITIONS

1. **"Firearm"** shall mean a weapon from which a shot is discharged by gun powder or a weapon from which a projectile is discharged by pressure of compressed air.
2. **"Accessories"** shall mean scopes, rings, mounts, slings, sling swivels and suppressors which are attached to the insured "firearm". "accessories" also include:
 - a. unscheduled additional barrels with a maximum value of \$1,000 per item,
 - b. scheduled additional barrels with an agreed upon value, and
 - c. traps used to capture fur-bearing animals.

Unscheduled "firearms" and "accessories" do not include ammunition.

3. **"Fair market value"** means the price at which property would change hands between a willing buyer and seller, each having reasonable knowledge of all the pertinent facts and neither being under pressure to buy or sell.
4. **"Pollutants"** means any solid, liquid gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. **"Specified causes of loss"** means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that contains water or steam.

COMMERCIAL INLAND MARINE CONDITIONS

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

LOSS CONDITIONS

A. Abandonment

There can be no abandonment of any property to us.

B. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

C. Duties In The Event Of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.

10. Cooperate with us in the investigation or settlement of the claim.

D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of the loss; or
- b. An appraisal award has been made.

6. We will not be liable for any part of a loss that has been paid or made good by others.

F. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.

2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

G. Pair, Sets Or Parts

1. Pair Or Set

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

2. Parts

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

I. Reinstatement Of Limit After Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

J. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance; or
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you.

This will not restrict your insurance.

GENERAL CONDITIONS

A. Concealment, Misrepresentation Or Fraud

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. Control Of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. Legal Action Against Us

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

D. No Benefit To Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

E. Policy Period, Coverage Territory

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

F. Valuation

The value of property will be the least of the following amounts:

1. The actual cash value of that property;

2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
 - a.** Any of the following, whether belonging to any insured or to others:
 - (1)** Computer hardware, including microprocessors;
 - (2)** Computer application software;
 - (3)** Computer operating systems and related software;
 - (4)** Computer networks;
 - (5)** Microprocessors (computer chips) not part of any computer system; or
 - (6)** Any other computerized or electronic equipment or components; or
 - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
 - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
 - 2.** Under the Commercial Property Coverage Part:
 - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or
 - b.** In a Covered Cause of Loss under the Causes Of Loss – Basic Form or the Causes Of Loss – Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

SCHEDULE – PART I	
Terrorism Premium (Certified Acts)	\$ Included
This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(ies): Firearm and Accessories Coverage Form	
Additional information, if any, concerning the terrorism premium:	
SCHEDULE – PART II	
Federal share of terrorism losses	80 %
(Refer to Paragraph B. in this endorsement.)	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy Declarations) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.