

K2 - FINE ARTS ENDORSEMENT

AGREEMENT

In return for your payment of the premium as stated separately on the Declarations page or included in the total premium we agree as follows:

We insure your fine arts listed in the "Schedule of Articles Insured" against all risks of direct physical loss or damage subject to the terms and conditions of this endorsement.

TERRITORIAL LIMITS

Coverage is provided at the address shown on the Declarations page unless other locations or certain territorial limits are indicated on the "Schedule of Articles Insured" attached to the policy.

BASIS OF SETTLEMENT

We will pay the **lesser** of:

1. The actual cash value of the article at the time of the loss;
2. The amount insured for each article.

We reserve the right to repair or replace the article(s).

Should the letter "V" appear beside an article insured that specific article is valued for the amount insured.

EXCLUSIONS

We **do not** cover:

- a. Property illegally acquired or kept;
- b. Property lawfully seized or confiscated unless the property is destroyed to prevent the spread of fire;
- c. Breakage of fragile articles such as: art glass windows, glassware, statuary, marble, bric-a-brac and porcelains, unless caused by fire, theft or attempted theft, earth movement, explosion, falling objects striking the exterior of a building, collapse of a building or part thereof, water, impact by aircraft or land vehicle, lightning, riot, smoke, vandalism or malicious acts, windstorm or hail, or by accident to land vehicle, watercraft or aircraft, or by rupture of a plumbing, heating or air conditioning system or household appliance.

We **do not** cover loss or damage caused by or resulting from:

- d. Wear and tear, deterioration, inherent defect or mechanical breakdown;
- e. Vermin, rodents or insects;
- f. Directly, or indirectly:
 - a) any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
 - b) contamination by radioactive material;
- g. War, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
- h. Any criminal act or wilful negligence by an Insured, but this exclusion does not apply to any other Insured who has not committed and is not involved in the criminal act or wilful negligence;
- i. Any process or work being performed on your fine arts where the damage results from such process or work. This includes repairing, restoration or retouching.

NEWLY ACQUIRED ARTICLES - TEMPORARY COVER

If you acquire any additional articles of a type already scheduled under this endorsement, we will automatically cover these articles for a period of 30 days from the date of the acquisition but not exceeding the expiry date of the policy to which this endorsement is attached. **You must report the newly acquired property to us within this same 30 days and pay the additional premium from the date acquired.**

Under this extension of cover, we will not pay more than 25% of the total amount of insurance provided by this endorsement, or \$5,000, **whichever is the lesser.**

We also reserve the right not to continue the insurance of the newly acquired property beyond the 30-day period.

SPECIAL CONDITION IF FINE ARTS ARE MOVED

Should the fine arts be covered in transit, it is then a condition that they must be packed and unpacked by competent packers.

UNEARNED PREMIUM CLAUSE

Following the payment of a loss, the amount of insurance provided for each article shall not be reduced except for a total loss of the scheduled property. Upon request, we will refund to you the unearned premium applicable to such property, or you may apply it to the premium due for the replacement of the scheduled property.

If, following a loss, you acquire any articles to replace those which were lost or damaged, you must advise us within 30 days. (Refer to the section entitled "Newly Acquired Articles - Temporary Cover").

OTHER CONDITIONS THAT APPLY

All other terms and conditions of the policy to which this endorsement applies remain unchanged.

REFER TO THE ATTACHED "SCHEDULE OF ARTICLES INSURED"