

Form #KA (Rev. October 29, 2012)
Valuable Articles 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 personal articles listed individually or described by category 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

This insurance applies worldwide.

Limit of Insurance

When articles are listed individually on the Schedule, the limit of insurance shall be indicated next to the description of each article.

Should certain articles be described by category on the Schedule, the limit of insurance shall be indicated with respect to each category of articles.

Basis of Settlement (Specified articles)

If an article is listed in the "Schedule of Articles Insured", we will pay as follows:

1. In the event of a total loss, we will pay the Limit of Insurance specified for the article.
2. In the event of a partial loss;
 - 1) We will pay the cost to restore the article to its condition immediately prior to its loss;
 - 2) Should the article not be restored, we will pay the difference in the market value of the article before and after the loss;
 - 3) If, following restoration, the article's value is less than the market value immediately prior to the loss, we will, in addition, pay you the difference between the restored value and the market value.

In no event will we pay more than the Limit of Insurance for the article.

3. Articles mentioned as being "In a safety deposit box" must remain there. **These articles are not insured while they are out** unless we agree upon prior notice to cover them.

Basis of Settlement (By category)

If your articles are covered by category, we will pay the lesser of the following amounts:

1. The amount necessary to repair or replace your articles (whichever is less) without deduction for depreciation;
2. The limit of insurance specified for each category of articles. Should a maximum limit for any one article of a category be indicated, we will pay no more than such amount.

Definition of items

When we use the following terms, we mean:

1. **Fine Arts** – paintings, pictures, art objects, tapestries, stained glass windows, statuary porcelain, rare books, manuscripts and similar articles.
2. **Furs** – fur garments and garments trimmed with fur.
3. **Jewellery** – articles of personal adornment containing precious metals, jewels, precious or semi-precious stones and including articles generally referred to as costume jewellery.
4. **Silverware** – silverplated ware, goldware, goldplated ware and pewterware.
5. **Stamps and Coin Collections** – stamps, coins, albums mounting devices, catalogues, showcases and other philatelic and numismatic property.

Loss to a pair, set, or parts

In the case of an insured loss to a pair, set or part of an article which consists of several parts when complete, we will pay:

1. The cost to restore the article to its condition immediately prior to its loss;
2. Should the article not be restored, we will pay the difference in the market value of the article before and after the loss;
3. If, following restoration, the article's value is less than the market value immediately prior to the loss, we will, in addition, pay you the difference between the restored value and the market value.

Should you agree to surrender the undamaged article to us, we will pay you the full replacement cost of the whole part, set or parts.

If the loss does not involve jewellery or fine arts, we must first agree to accept the undamaged articles.

In no event will we pay more than the applicable Limit of Insurance.

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. Property used for profit unless permitted on the "Schedule of Articles Insured";

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 willful 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 willful negligence.

Additional Exclusions pertaining to Fine Arts

In addition to the exclusions listed above, we **do not** cover:

- a. Damage caused by repairing, restoring or retouching; and
- b. Any loss while the property is on exhibition at either a fairground or on the premises of a national or international exposition.

Additional Exclusions pertaining to Stamp and Coin Collections

In addition to the exclusions listed above, we **do not** cover:

- a. Fading, creasing, denting, scratching, tearing, thinning, transfer of colours, dampness, extremes of temperatures, gradual depreciation or damage from handling;
- b. Loss to property in the custody of transportation companies, or shipments by mail unless sent by registered mail.

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 amount of insurance for the class property being acquired, or \$25,000, **whichever is the lesser.**

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

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"