

SHIPPING 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.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

Covered Property

1. Covered Property, as used in this coverage form, means property you have recorded for insurance under this coverage form prior to loss or damage and sent by one of the approved methods of shipment for which a Limit of Insurance is shown in the Declarations:
2. We cover approved goods and merchandise consisting of jewelry, coins, collectible currency, gold bullion, silver bullion, platinum bullion, palladium bullion, watches, gemstones, antique jewelry, antique watches, gold, silver, precious metals, jewelry components, clocks, clock works, hand blown glass, ceramics, sports trading cards, stamps, antiques, paintings, artworks, photographs, sculpture, exhibits, minerals, meteorites, vintage clothing, vintage jewelry, vintage accessories, historical documents, pens, models made by modelmakers, rare books, cartography, model trains, machined parts, movies, films, quilts, Western Americana, American Indian artifacts, gambling and casino collectibles, coin-operated machines and jukeboxes, antique toys and dolls, militaria, firearms, knives, antique radios and communication devices, photography equipment, musical instruments, automobile parts (antique, classic & new), motorcycle parts, aviation parts, marine parts, tractor and farm machinery parts, autographs, political collectibles, rocks, fossils, fishing and hunting collectibles, decoys, stock certificates and other items of high value, not limited to collectibles.

3. When Coverage Applies

We cover property in the care, custody or control of an authorized employee of the approved carrier or their authorized contractor.

We cover property until it has been delivered to the addressee at the address stated on the shipping package or label (Exception: see **B. Exclusions, 4.**).

4. Property Not Covered

- a. Contraband, or property in the course of illegal transportation or trade.
- b. Property sold by or under encumbrance to you after delivery to the addressee.
- c. Accounts, bills, deeds, evidences of debt, notes, securities, and other negotiable documents.
- d. Property at the premises of the insured or at the premises of the addressee.
- e. Property shipped by any other company, carrier, or package delivery service, or by any other mode of transportation, unless specifically endorsed on to this policy.
- f. Property shipped subject to a waiver of signature clause.
- g. Shipments utilizing overnight letter sized soft packs or cardboard envelopes.
- h. Shipments not made by you, your employee, or an authorized agent

5. Covered Causes Of Loss

Covered Causes of Loss means Direct Physical Loss Or Damage to the Covered Property except those causes of loss listed in the Exclusions.

6. Coverage Extension

Return Shipments

We will extend the coverage for outgoing shipments to include such property which has been rejected by the addressee or which is not deliverable, while in due course of transit by an approved carrier, being returned to you. Insurance under this extension ends 10 days after attempted delivery to the consignee.

B. Exclusions

We will not pay for 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.

1. Governmental Action

Seizure or destruction of property by order of governmental authority.

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.

2. Weapons

- a. Any weapon employing atomic fission or fusion; or
- b. Any mine or torpedo.

3. War And Military Action

- a. War, including undeclared or civil war.
- b. 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.

But we will pay for direct loss or damage caused by fire; explosion; stranding; heavy weather; or collision or contact with aircraft, rockets or missiles or any fixed or floating object (except any mine or torpedo); if warlike action does not contribute directly to these causes of loss.

- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

4. Incorrect Delivery

Incorrect delivery by the shipping company caused by an incorrect address on the shipping label.

5. Unexplained Loss

Unexplained loss, unexplained disappearance, nor loss or shortage disclosed upon taking inventory.

- 6. Misappropriation, sabotage, counterfeit, secretion, conversion, infidelity or any dishonest act on the part of the insured or other party of interest, their employees or agents or others to whom the property may be entrusted for any purpose whatsoever. But this exclusion does not apply to covered property that has been entrusted to others for which this insurance applies.

- 7. Loss or damage caused by delay, loss of market, or insufficient or defective packing. Nor shall this policy cover any shortage in goods claimed to have been forwarded in a package when the package is received by the addressee in apparent good condition with the seals unbroken.

- 8. Loss or damage to insured property while in or upon any vehicle, whether or not an automobile, other land vehicle, watercraft, or aircraft, unless in the care, custody and control of one of the approved shipping options listed on the declarations page.

- 9. Loss or damage caused by leakage, marring, scratching, creasing, denting, corrosion, rust, tearing, thinning, fading, transfer of colors, wear, tear, inherent defect, dampness, extremes of temperature other than fire, insects, vermin, gradual deterioration and depreciation, or damage sustained while being worked upon from handling.

10. Earthquake

Loss or damage caused by earthquake, excepting damage caused by ensuing fire.

11. Flood

Loss or damage caused by, resulting from, contributed to, or aggravated by flood, surface water, waves, tidal water or tidal wave, overflow of streams or other bodies of water, or spray from any of the foregoing, all whether driven by wind or not.

12. Loss or damage resulting from your parting with any property after receipt of payment in any form that is false, fraudulent, invalid, uncollectible, or counterfeit.

13. Voluntary Parting

Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

14. Loss or damage caused by mold, mildew, fungus, bacteria, spores or other microorganisms of any type, nature or description.

Exclusions **B.1.** through **B.14.** apply whether or not the loss event results in widespread damage or affects a substantial area.

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; however, these limits of insurance are limited if any conditions exist as follows:

1. Overnight shipments made on Friday with delivery designated for Monday delivery. The most we will pay for any loss or damage if shipments are made on Friday with delivery designated for Monday delivery is \$10,000 per package regardless of approved carrier.
2. Shipments made on the eve of any holiday that cannot be designated for delivery the next day. The most we will pay for any loss or damage if shipments are made on the eve of any holiday and cannot be designated for delivery the next day is \$10,000 per package regardless of approved carrier.
3. Shipment is made from or to a trade show. The most we will pay for any loss or damage if shipment is made to or from a trade show is \$10,000 per package regardless of approved carrier.

D. Additional Conditions

1. Valuation

General Condition **F. Valuation** in the Commercial Inland Marine Conditions is replaced by the following:

- a. The value of Covered Property will be the lesser of:
 - (1) Declared value; or
 - (2) Shipments traveling without an invoice will be valued at the amount declared as the replacement cost at destination provided that the replacement cost is substantiated by a certified appraisal at the time of loss; or
 - (3) The cost of reasonably restoring that property to its condition immediately before loss or damage; or
 - (4) The cost of replacing that property with substantially identical property.
- b. If we pay any loss or damage:
 - (1) We will pay no more than the value you have recorded for insurance, subject to a maximum limit as shown on the declaration page.
 - (2) We will pay you or anybody else you direct us to pay; and
 - (3) We reserve all rights, title and interest in the Covered Property to the extent of payments paid by us.

2. Cancellation

The following is added to the **Cancellation** Common Policy Condition:

In the event of cancellation, this coverage form applies to all shipments of Covered Property made up to the date and time of cancellation.

3. Duties In The Event Of Loss

The following is added to Loss Condition **C. Duties In The Event Of Loss** in the Commercial Inland Marine Conditions:

Your proof of loss will also include:

- a. Proof of interest in the property;
- b. Affidavit of shipment;

- c. Affidavit of nonreceipt by the addressee and, if we request, also by the owner of the property; and
- d. If applicable, the receipt of any government postal service for the shipment;
- e. Original or copy of the freight bill covering the entire shipment;
- f. Original or copy of the invoice(s) or signed, detailed description of the covered property as per the valuation clause;
- g. Packing list, if covered property is shipped with an invoice;
- h. Delivery receipts and any other available documents showing condition of covered property when received.

4. Loss Payment

Paragraph **5.** of Loss Condition **E. Loss Payment** in the Commercial Inland Marine Conditions is replaced by the following:

- 5. We will pay for covered loss or damage within seven 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.

5. Other Insurance

Loss Condition **F. Other Insurance** in the Commercial Inland Marine Conditions is replaced by the following:

If there is any other insurance or indemnity covering the same loss or damage as the insurance under this coverage form, we will pay only for the excess of the amount covered by any other insurance or indemnity. We will pay the excess whether the other insurance or indemnity is collectible or not.

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

a. Coverage Territory

We cover property sent by any approved method to and from places in the United States of America (including all United States territories and possessions); however, we cover property sent to Puerto Rico, Canada, Australia, Austria, Belgium, Bermuda, China, Denmark, England, Finland, France, Germany, Iceland, Italy, Japan, New Zealand, Northern Ireland, Norway, Scotland, Singapore, Sweden, Switzerland, and Wales solely by Federal Express.

b. Records

You will keep accurate records of all shipments of Covered Property. You must record each shipment prior to loss or damage.

These records will consist of:

- (1) A description of the Covered Property, its destination and the type of mail you used; and
- (2) The value of the property contained in each shipping package covered by this coverage form; and.
- (3) Tracking number.

c. Reports And Premium

(1) Reports

Within 30 days after the end of each reporting period shown in the Declarations, you will report to us the total values of all property covered by this coverage form sent during the preceding reporting period. This report will list the values separately for each kind of property and type of shipment for which a rate is shown in the Declarations.

(2) Rates And Premium

(a) Premium Computation

We will compute the premium for each reporting period using the rates shown in the Declarations.

(b) Premium Adjustment

- (i) If an annual reporting period is shown in the Declarations, we will apply the total computed premium to the Deposit Premium. If it is more than the Deposit Premium, you will pay us the difference. If it is less than the Deposit Premium, we will pay you the difference.
- (ii) If any other reporting period is shown in the Declarations, we will apply the computed premium to the Deposit Premium until it is used up. You will pay us all premiums that exceed the Deposit Premium. We will make these premium adjustments for each reporting period.

The due date for any additional premium is the date shown as the due date on the bill.

- (3) If this coverage form is cancelled:

- (a) You will report promptly to us the total values of all property covered by this coverage form sent up to the date and time of cancellation. We will compute the premium as provided above.
- (b) You must pay a Minimum Premium of at least 1/12th of the minimum annual premium shown in the Declarations for each month or part of a month that this coverage applies during the Policy Period.

d. Pair, Sets or Parts

General Condition **G. Pair, Sets, or Parts** in the Commercial Inland Marine Conditions is replaced by the following:

(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.