

AGREEMENT

We will provide the insurance described in this policy in return for the premium and **your** compliance with all provisions of this policy including endorsements.

DEFINITIONS

Words in bold print are defined as follows.

1. In this policy **you** and **your** refer to the named insured shown on the Declarations Page. **We**, **us** and **our** refer to the Company providing this insurance.
2. **Accident** means an undesigned, unexpected and rapidly occurring event.
3. **Customers** means any person or entity storing personal property at a location shown on the Declarations Page subject to a warehouse receipt or a written storage agreement issued by you.

LOSSES COVERED

We will pay all sums that **you** become legally obligated to pay as damages incurred by **your customers** because of direct physical loss of or damage to **your customers** personal property caused by an **accident** to which this insurance applies.

This insurance applies only to damages which result from **accidents**:

1. which occur during the policy period; and
2. which cause direct physical loss of or damage to personal property of **your customers** for which a warehouse receipt or a written storage agreement has been issued by **you**; and
3. which occur at a location described on the Declarations Page.

We have the right and duty to defend any claim or suit seeking covered damages. **We** may investigate and settle any claim or suit at our discretion but:

1. the amount **we** will pay for damages is limited as described in LIMITS OF INSURANCE;
2. **our** right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided under SUPPLEMENTARY PAYMENTS.

LIMITS OF INSURANCE

1. Each **Accident**

The most **we** will pay for the sum of all damages as a result of any one **accident** is the applicable limit of insurance shown on the Declarations Page regardless of the number of:

- a. named insureds;
- b. claims made or suits brought;
- c. persons or organizations making claims or bringing suits;
- d. policies issued by **us** to any insured. If such other policies exist, the maximum limit of this Company's liability shall not exceed the highest limit set forth in any one such policy.

2. All **Accidents**

The most **we** will pay for the sum of all damages, regardless of the number of **accidents** that take place during any consecutive policy period of twelve (12) months or less, is the aggregate limit of insurance shown on the Declarations Page. This annual aggregate limit of insurance applies separately to each location described on the Declarations Page.

DEDUCTIBLE

Subject to the applicable limit of insurance, **we** will pay no more than the amount by which any loss exceeds the deductible amount shown on the Declarations Page. This provision applies to each separately occurring loss.

EXCLUSIONS

1. This insurance does not apply to:
 - a. loss of or damage to fur or fur garments, jewelry, watches, precious or semi precious stones or precious metals including silver;
 - b. loss of or damage to money, checks, travelers checks, money orders, stamps, tickets, securities, accounts, bills or deeds or other evidences of debt;
 - c. loss of or damage to property for which **you** are liable as a common carrier.
2. This insurance does not apply to damages which:
 - a. arise out of loss of or damage expected or intended from the standpoint of any insured;
 - b. arise out of fraud or any dishonest act committed by **you**, **your** officers or partners or **your** employees;
 - c. arise out of any contract or agreement other than a warehouse receipt or other storage receipt;
 - d. arise out of a forged warehouse receipt;
 - e. result from **your** voluntarily parting with title or possession of personal property of others if **you** were induced to do so by any fraudulent scheme, trick, device or false pretense;
 - f. result from contamination unless the contamination is the direct result of fire, explosion, windstorm, hail, vehicles, riot or civil commotion, sprinkler leakage, weight of snow, sleet or ice;
 - g. are incurred by any person or entity other than **your customers**;
 - h. result from wear and tear, gradual deterioration, inherent vice, latent or patent defect, mold, wet rot, infestation, insects, vermin, rodents or disease;
 - i. result from mechanical breakdown or failure including power failure unless fire or explosion ensues and then **we** will be liable only for the ensuing property damage from the fire or explosion;
 - j. result from earth movement including earthquake, volcanic eruption, landslide, mudflow and earth sinking, rising or shifting;
 - k. result from flood, surface water, water below the surface of the ground, backing up of sewers or drains, waves, tides, tidal waves, all whether driven by wind or not;
 - l. results from shortage disclosed on taking inventory or unexplained or mysterious disappearance;
 - m. result from nuclear reaction or radiation, or radioactive contamination, however caused;
 - n. result from war and military action, meaning (a) war, including undeclared or civil war; (b) warlike action by any 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; (c) insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these;

- o. results from delay, loss of use, loss of market, loss of business income or other consequential loss.

SUPPLEMENTARY PAYMENTS

With respect to any claim or suit **we** defend under this policy, **we** will pay in addition to the limit of insurance shown on the Declarations Page:

1. all expenses **we** incur;
2. the premium on bonds to release attachments but only for bond amounts within the applicable limit of insurance shown on the Declarations Page. **We** do not have to furnish or obtain these bonds;
3. all reasonable expenses incurred by **you** at **our** request to assist **us** in the investigation or defense of the claim or suit including actual loss of earnings of up to \$100 a day because of time off from work;
4. all costs taxed against **you** in the suit;
5. pre-judgment interest awarded against **you** on that part of the judgment **we** pay. If **we** make an offer to pay the applicable limit of insurance, **we** will not pay any pre-judgment interest based on that period of time after the offer;
6. all interest on the full amount of any judgment that accrues after entry of the judgment and before **we** have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

YOUR DUTIES IN THE EVENT OF AN ACCIDENT, CLAIM OR SUIT

1. **You** must promptly notify **us** of an incident or event that may result in a claim. Notice should include:
 - a. how, when and where the incident or event took place;
 - b. the names and addresses of any witness.
2. If a claim is made or suit is brought against any insured, **we** must be promptly notified in writing and **you** must:
 - a. immediately send **us** copies of any demands, notices, summonses or legal papers received in connection with the claim or suit;
 - b. authorize **us** to obtain records and other information;
 - c. cooperate with **us** in the investigation, settlement or defense of the claim or suit;
 - d. assist **us**, upon **our** request, in the enforcement of any right against any person or organization that may be liable to **you** because of property damage to which this insurance may also apply.
3. **You** shall not, except at **your** own cost, make a payment, assume any obligation or incur any expense without **our** consent.

OTHER INSURANCE

The insurance provided by this policy is excess over any other insurance except insurance specifically written to cover as excess over the limits of this policy. **We** have no duty to defend any claim or suit that any other insurer has a duty to defend. If no other insurer defends, **we** will undertake to do so but **we** will be entitled to **your** rights against any such other insurers.

TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If **you** have rights to recover all or part of any payment **we** have made under this policy, those rights shall be transferred to **us**. **You** shall do nothing to impair said rights. At **our** request, **you** shall help **us** to enforce them.

TRANSFER OF YOUR RIGHTS AND DUTIES

Your rights and duties under this policy may not be transferred without **our** written consent, except in the case of **your** death.

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 the property will have **your** rights and duties but only with respect to that property.

BANKRUPTCY

Bankruptcy or insolvency of **you** or **your** estate will not relieve us of **our** obligations.

LEGAL ACTION AGAINST US

1. No person or organization has a right under this policy:
 - a. to join **us** as a party or otherwise bring us into a suit asking for damages from **you**;
 - b. to sue **us** on this policy unless all of its terms have been fully complied with.
2. A person or organization may sue **us** to recover on an agreed settlement or on a final judgment against **you** obtained after an actual trial but **we** will not be liable for damages that are not payable under the terms of this policy. An agreed settlement means a settlement and release of liability signed by **us**, **you** and the claimant or the claimant's legal representative.

PROPERTY OF OTHERS

At **our** option **we** may adjust losses with the owner of the property. Any payment made by **us** shall be limited to the owner's financial interest in the lost or damaged property and shall satisfy **your** claim against **us**. If legal proceedings are taken to enforce a claim against **you** for any such loss or damage, **we** reserve the right to conduct and control the defense on **your** behalf. No action by **us** in such regard shall increase our liability under this policy nor increase the limits specified in this policy.

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 (3) years after the cancellation or expiration of this policy whichever is first.

REPRESENTATIONS

By accepting this policy **you** agree that:

1. the statements on the Declarations Page are accurate and complete;
2. those statements are based upon representations **you** made to us;
3. **we** have issued this policy in reliance upon **your** representations.

CANCELLATION AND NON-RENEWAL

1. **You** may cancel this policy at any time by returning it to **us** or by notifying **us** in writing of the date cancellation is to take effect.
2. **We** may:
 - a. cancel this policy for non-payment of premium by giving **you** fifteen (15) days written notice; or
 - b. non-renew this policy for any reason by giving **you** at least sixty (60) days, but not more than one hundred twenty (120) days, written notice to be effective at the next anniversary or expiration date of the policy whichever is first.

We will also mail such notice of cancellation or non-renewal to each person or entity shown on this policy to have an insurable interest.

We will state the reason for cancellation or non-renewal on the written notice.

3. **We** are not required to send notice of non-renewal if:
 - a. the policy has been extended for ninety (90) days or less provided that written notice of non-renewal has been given at least sixty (60) days, but not more than one hundred twenty (120) days, before the expiration date of the policy after it was extended;
 - b. **you** have obtained replacement coverage or if **you** agreed in writing within sixty (60) days of the expiration date of this policy to obtain replacement coverage;
 - c. the policy is for a period of sixty (60) days or less and **you** are notified at the time of issuance of the policy that it will not be renewed;
 - d. **you** request a change in terms, conditions or coverage within sixty (60) days of the expiration date of this policy;
 - e. **we** have made **you** a written offer to renew the policy under changed terms or conditions or at an increase in premium in excess of twenty five (25) per cent. Such offer must be made at least sixty (60) days, but not more than one hundred twenty (120) days, before the expiration date of the policy.

Any pro-rata premium due **you** will be refunded within a reasonable time after the cancellation takes effect.

WAIVER OR CHANGE OF POLICY CONDITIONS

This policy contains all the agreements between **you** and **us** concerning this insurance. A waiver or change of any provision of this policy must be in writing by **us** to be valid.

CONCEALMENT, MISREPRESENTATION OR FRAUD

This policy shall be void if any insured, whether before or after a loss, has intentionally concealed or misrepresented any material fact or circumstance or made false statements or engaged in fraudulent conduct relating to this insurance.