

MISCELLANEOUS PROPERTY COVERAGE PART
(NAMED PERIL FORM)

1. PROPERTY INSURED

We insure your property scheduled in the Declarations or on a schedule that is part of this policy. A limit of insurance must be shown for each item scheduled.

2. PROPERTY NOT INSURED

We do not insure the following:

- a. Property that is not in sound condition when this coverage is effective;
- b. Property that is waterborne. We do cover property that is in transit on a regular ferry, lighter or carfloat;
- c. Self-propelled vehicles that are designed and licensed for highway use;
- d. Aircraft;
- e. Watercraft;

3. CAUSES OF LOSS INSURED

We cover direct physical loss to covered property caused by or resulting from:

- a. Fire;
- b. Lightning;
- c. Windstorm;
- d. Hail;
- e. Collision, derailment, upset or overturn of a transporting land vehicle;
- f. Collapse of a bridge or culvert;
- g. Stranding, sinking, burning or colliding of vessels. This includes:
 - a. Your share of the loss when property is thrown overboard to insure the safety of a vessel carrying covered property when that vessel is endangered by these perils; and
 - b. Your share of the cost to save property when endangered by these perils.

4. CAUSES OF LOSS NOT INSURED

We do not insure any loss caused by or resulting from:

- a. A dishonest or illegal act, alone or in collusion with another, by:
 - (1) you;
 - (2) others who have an interest in the property;
 - (3) others to whom you entrust the property; or
 - (4) the employees or agents of (1), (2) or (3).

We do cover loss caused by dishonest acts by carriers or other bailees for hire;

- b. Swindling, fraud, trick or false pretense;
- c. The acceptance of:
 - (1) counterfeit money or fraudulent post office or express money orders; or
 - (2) checks or promissory notes which are not paid upon presentation.

- d. Mysterious disappearance.
- e. Any cause when the only proof that a loss occurred is an inventory shortage.
- f. Breakage of glass or similar fragile items. We do cover breakage if it is caused by a covered peril.
- g. A process to repair, adjust, service or maintain the covered property. If a fire or explosion results, we do cover the loss caused by the fire or explosion.
- h. Mechanical breakdown or failure. If a fire or explosion results, we do cover the loss caused by the fire or explosion.
- i. Electrical currents, other than those caused by lightning, that damage an electrical apparatus or its wiring. If a fire or explosion results, we do cover the loss caused by the fire or explosion.
- j. Collision with covered property by vehicles owned or operated by you.
- k. The coupling or uncoupling of a railroad car.
- l. (1) Declared or undeclared war; civil war; insurrection, rebellion; revolution; or warlike acts by a military force. Discharge of a nuclear weapon shall be deemed a warlike act, even if accidental;
(2) Destruction, seizure of use of property by a military force or any governmental authority;
- m. Nuclear reaction, nuclear radiation or radioactive contamination, however caused. We will, however, pay for a loss caused by a resulting fire.

5. LIMITS OF INSURANCE

We will not pay more than the least of the following amounts, less the deductible amount:

- a. The valuation as shown in condition F., Valuation, of Commercial Inland Marine General Condition Form CIM 1501; or
- b. The limit per item shown in the Declarations or Schedule of covered property.

However, if more than one item of covered property is involved in one loss, the maximum we will pay is the maximum per loss limit shown in the Declarations (subject to the limit in a and b above for each covered item).

6. PENALTY FOR UNDERINSURANCE

You must maintain a minimum coverage amount. This minimum coverage amount is the full actual cash value of all covered property. If the coverage amount at the time of loss is less than the minimum coverage amount, we will pay only a part of a loss. Our part of the loss will be determined by dividing the coverage amount by the minimum coverage amount. This percent will be applied to the final adjusted loss to determine the amount that we will pay.

7. DEDUCTIBLE

We will subtract the deductible amount shown on the Declarations page from each adjusted loss.