

# Anderson Group Musical Instruments Coverage Form

## Renewal Notice

Named Insured:

Date of Mailing:  
Policy Number(s):

Expiration Date:

Dear Policyholder,

We are pleased to offer to renew your policy under the new version of the **Anderson Group Musical Instruments Coverage Form, VIM 035 06 10**. Your new **Anderson Group Musical Instruments Coverage Form** offers a wide variety of coverage advantages, coverage extensions, and additional coverages.

The following is a summary of changes that the new **Anderson Group Musical Instruments Coverage Form** provides in comparison to the coverages provided by the form on your expiring policy. Some of the changes applying to an individual insured will depend on the specific coverages that were selected on the previous policy.

***No coverage is provided by this summary nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations Page, when received, for complete information on the coverages your new policy provides. If there is any conflict between the policy and this summary, THE PROVISIONS OF THE POLICY SHALL PREVAIL.***

The **Anderson Group Musical Instruments Coverage Form** is a state-of-the-art coverage form offering a wide variety of valuable coverages on a single policy form. It offers a high level of flexibility to add coverages or increase limits. The **Anderson Group Musical Instruments Coverage Form** offers far more coverage than standard Musical Instruments coverage forms.

Areas within your new policy that will broaden or reduce coverage are highlighted below. This notice does not reference every clarification, editorial revision or format change made to your policy.

---

### COVERAGES

The three primary coverages in the **Anderson Group Musical Instruments Coverage Form** can now provide coverage for both “**musical instruments**” and “**electronic equipment**” as “**Covered Property**”; these three coverages have been revised and renamed accordingly.

#### SCHEDULED PROPERTY COVERAGE

**Scheduled Property Coverage** applies to items for which you have provided descriptions, values, and any serial numbers or other unique identifiers.

#### NEWLY ACQUIRED PROPERTY COVERAGE

**Newly Acquired Property Coverage** applies for a maximum of **180 days** to newly acquired items for which you have not provided the specific information needed for **Scheduled Property Coverage**.

Separate limits of insurance apply to how much we will pay in total in any one occurrence for newly acquired “**musical instruments**”, subject to a per item limit, and to “**electronic equipment**”.

#### LEASED, RENTED OR BORROWED PROPERTY COVERAGE

**Leased, Rented or Borrowed Property Coverage** applies to items you have leased, rented or borrowed from others and for which you have not provided the specific information needed for **Scheduled Property Coverage**.

Separate limits of insurance apply to how much we will pay in total in any one occurrence for leased, rented or borrowed “**musical instruments**”, subject to a per item limit, and to “**electronic equipment**”.

The Electronic Data Processing Equipment Coverage Form, VIM 034 07 05, will no longer be used to provide coverage for “**electronic equipment**”. Some Additional Coverages specifically relating to electronic data processing equipment no longer apply:

- Electronic Data Processing Equipment in Transit
- Off-Premises Portable Communication Equipment
- Instructional and Operational Manuals
- Loss to Utility Provider
- Expediting Expenses

While technically reductions in coverage from what was available on the EDP form, these EDP Additional Coverages were not essential to covering “**electronic equipment**” related to “**musical instruments**”. As a result, it was not fair to ask insureds without these tangential exposures to share in their costs. We will consider individual requests for coverage of these exposures as scheduled items of “**electronic equipment**” related to “**musical instruments**”, or for separate coverage under the Electronic Data Processing Equipment Coverage Form, or by endorsement.

## EXTENSIONS OF COVERAGE

### **Civil Authority**

Coverage broadened from musical instruments to “**Covered Property**”.

### **Removal**

Coverage broadened from musical instruments to “**Covered Property**”.

## ADDITIONAL COVERAGES

### **Debris Removal**

Coverage broadened from musical instruments to “**Covered Property**”.

### **Inventory or Appraisals**

Coverage broadened from musical instruments to “**Covered Property**”.

### **Limited Coverage for Property Leased or Rented to Others**

The **Limited Coverage for Property Leased or Rented to Others** has been added along with the new **Leased or Rented to Others** exclusion in order to provide a limited and controlled coverage for items of “**Covered Property**” leased or rented to others. This automatically provides a limited amount of coverage for any insured who may lease or rent items to others. The automatic limit may represent a reduction in coverage amount for individual insureds who lease or rent more expensive items to others, but they may request increased limits. This approach provides greater control over this unique exposure and a fair allocation of the related costs. Also, see the **Leased or Rented to Others** exclusion.

### **Pollutant Clean Up or Removal**

Coverage broadened from musical instruments to “**Covered Property**”.

The **Diminished Value** provision has been moved to the CONDITIONS Section.

The **Fire Department Services Charges** provision has been eliminated as **Emergency Response Service Charge** coverage is provided in the COMMERCIAL INLAND MARINE BUCKET LIMIT COVERAGES FORM.

The **Fire Protective Equipment** provision has been eliminated as **Fire Extinguisher and Automatic Extinguishing System Recharge** coverage is provided in the COMMERCIAL INLAND MARINE BUCKET LIMIT COVERAGES FORM.

## COVERED CAUSES OF LOSS

A provision has been added to state that Covered Causes of Loss means fortuitous risks of direct physical loss to “**Covered Property**” except those causes of loss listed in the **EXCLUSIONS**.

---

## EXCLUSIONS

In **Anderson Group Musical Instruments Coverage Form, VIM 035 06 10**, the following changes have been made from the corresponding exclusions in the 09 07 version:

**Acts or Decisions**

Editorial changes.

**Consequential Loss**

Replaces the **Loss of Market** exclusion. Editorial changes. Exclusion clarified by adding the term “any other consequential loss” which may result in a reduction in coverage.

**Dishonesty**

Replaces the **Dishonesty** exclusion with a simpler version. Technical reduction in coverage due to the former exception for a warehouseman for hire.

**Faulty Work**

Replaces the **Planning, Design, Materials or Maintenance** exclusion. Editorial changes.

**Governmental Action**

Editorial changes.

**Hidden or Latent Defect**

Takes the place of the **Latent Defect** exclusion.

**Leased or Rented to Others**

This exclusion has been added along with the new **Limited Coverage for Property Leased or Rented to Others** in order to limit and control the unique risks inherent in this exposure. While this approach may represent a reduction in coverage for insureds with higher exposures, increased limits may be requested. Also, see the **Limited Coverage for Property Leased or Rented to Others**.

**Mysterious Disappearance**

Takes the place of the **Disappearance** exclusion.

**Nuclear Hazard**

Editorial changes.

**Pollutants**

Replaces the **Pollutants** exclusion with a simpler version.

**Theft from Unlocked Vehicle**

The exclusion from endorsement **VIM 242 07 05** has been added directly to the Coverage Form. As this exclusion applies in place of **VIM 242**, there is no reduction in coverage.

**War and Military Action**

Editorial changes.

**Wear and Tear**

Editorial changes.

The following exclusions in **Anderson Group Musical Instruments Coverage Form, VIM 035 06 10**, are unchanged from the corresponding exclusions in the **Electronic Data Processing Equipment Coverage Form, VIM 034 07 05**:

**Acts or Decisions**

**Consequential Loss**

**Dishonesty**

**Governmental Action**

**Faulty Work**

**Nuclear Hazard**

**Pollutants**

**War and Military Action  
Wear and Tear**

The following exclusions in the **Electronic Data Processing Equipment Coverage Form, VIM 034 07 05**, do not apply in the **Anderson Group Musical Instruments Coverage Form, VIM 035 06 10**:

**Errors in System Programming  
Mistakes  
Processing or Work Upon the Property**

---

**LIMITS OF INSURANCE**

Editorial change.

---

**DEDUCTIBLES**

**Electronic Equipment Deductible**

The Deductible provision from the Electronic Equipment endorsement has been added to the coverage form.

**Common Carrier Increased Deductible**

Minor editorial changes.

---

**CONDITIONS**

This Coverage Form is subject to the COMMON POLICY CONDITIONS, the COMMERCIAL INLAND MARINE CONDITIONS, and the following Conditions:

LOSS CONDITIONS

**Abandonment**

Editorial change to show that the **Abandonment** condition replaces the one in the Commercial Inland Marine Conditions form.

**Other Insurance**

Editorial change to show that the **Other Insurance** condition is added to the one in the Commercial Inland Marine Conditions form.

**Recovered Property**

Editorial change to show that the **Recovered Property** condition replaces the one in the Commercial Inland Marine Conditions form.

GENERAL CONDITIONS

**Policy Period, Coverage Territory**

Editorial change to show that the **Coverage Territory** condition replaces the one in the Commercial Inland Marine Conditions form.

**Valuation**

The basic **Valuation** condition in the GENERAL CONDITIONS Section of the COMMERCIAL INLAND MARINE CONDITIONS form has been amended to provide for the “**diminished value**” provision.

PROPERTY VALUATION METHODS AND LOSS PAYMENT CONDITIONS

**Loss Payment**

The **Loss Payment** condition in the PROPERTY VALUATION METHODS AND LOSS PAYMENT CONDITIONS Section of the COMMERCIAL INLAND MARINE CONDITIONS form has been replaced to provide for the “**agreed value**” and “**diminished value**” provisions.

Valuation Methods

Provisions on valuation methods have been reformatted to coordinate with conditions in the COMMERCIAL INLAND MARINE CONDITIONS form. As a result, there are no longer sections titled Loss Payment Basis and

Loss Payment Basis Exceptions. Provisions formerly in conditions titled Our Loss Payment Options, Extended Warranties, and Musical Instruments of Others have been incorporated into other conditions. The Replacement Cost Basis and Actual Cash Value Basis conditions have been eliminated as there are Replacement Cost and Actual Cash Value conditions in the COMMERCIAL INLAND MARINE CONDITIONS form. The following conditions are added to **Valuation Methods**:

#### **Valuation Basis – Musical Instruments**

This condition establishes that “**musical instruments**”:

- that are covered as Scheduled Property are valued on an “**agreed value**” basis unless another valuation basis is indicated in the Schedule;
- that are not covered as Scheduled Property are valued on an Actual Cash Value basis unless another valuation basis is indicated in the Certificate Declarations;
- that are not owned by you and are in your care, custody and control, we will not pay more than the amount that you are legally liable; and
- for which you have paid for extended warranties, the pro-rated cost will be included in the valuation.

#### **Agreed Value Basis**

This condition establishes that for a “**musical instrument**” that is covered as Scheduled Property on an “**agreed value**” basis:

- the scheduled value is the “**agreed value**” of the item;
- we will pay the lesser of the “**agreed value**” or the cost of repair plus the “**diminished value**”; and
- that “**diminished value**” means a reduction in value due to it having been repaired.

#### **Diminished Value**

The **Diminished Value** condition has been moved to the **CONDITIONS** Section of the Coverage Form and editorially revised to clarify that it applies to a “**musical instrument**” covered as Scheduled Property on an “**agreed value**” basis that has a “**diminished value**” following it being repaired due to a Covered Cause of Loss. A provision has been added to provide for use of the Diminished Value Appraisals condition.

#### **Diminished Value Appraisals**

The **Diminished Value Appraisals** condition has been moved to the **CONDITIONS** Section of the Coverage Form and editorially revised to clarify when and how it applies. It has been revised to provide that you would have “**diminished value**” appraisals completed by two (2) credentialed appraisers of comparable “**musical instruments**”. Use of a non-credentialed appraiser must be pre-approved by us. We will allow, at your expense, a third appraisal by a third credentialed or pre-approved appraiser. Credentialed appraisers must be credentialed for the type and quality of instrument by one of the following:

- The Appraisers Association of America;
- The American Federation of Violin and Bow Makers;
- The American Appraisal Society; or
- An organization comparable in experience and stature.

Use of appraisers without such credentials must be pre-approved by us.

#### **Valuation Basis – Electronic Equipment**

The **Valuation Basis – Electronic Equipment** condition is based on the Valuation Basis condition from the Electronic Data Processing Equipment Coverage Form, VIM 034 07 05, providing that valuation is on a Functional Replacement Cost basis unless the item is covered as Scheduled Property and another valuation basis is indicated. Editorial changes have been made and provisions have been added for non-owned items and extended warranties.

#### **LOSS PAYEE CONDITION**

Editorial changes to show that the **Loss Payee Condition** replaces the one in the Commercial Inland Marine Conditions form and to broaden the condition from musical instruments to “**Covered Property**”.

## DEFINITIONS

### Agreed Value

Definition added. The newly-defined term “**agreed value**” means the scheduled value of a “**musical instrument**” that is covered as Scheduled Property on an “**agreed value**” basis.

### Covered Property

Definition added. States what the newly-defined term “**Covered Property**” means for items insured under each of the three primary coverages.

### Diminished Value

Definition added. Includes that the newly-defined term “**diminished value**” means the reduction in value of a “**musical instrument**” that is covered as Scheduled Property on an “**agreed value**” basis due to it having been repaired.

### Electronic Equipment

Definition added. Includes that the newly-defined term “**electronic equipment**” means amplifiers, computer hardware, and other miscellaneous electronic equipment and related accessories, used with your “**musical instruments**”.

### Musical Instruments

Definition revised. Includes that “**musical instruments**” means objects constructed or used for the purpose of making the sounds of music and their related equipment and accessories (other than any “**electronic equipment**” and its related accessories).

### Pollutants

Minor editorial changes.

### Sinkhole Collapse

Definition added. Newly-defined term used in the “**specified causes of loss**” definition.

### Specified Causes of Loss

Definition replaced. New defined term replaces the defined term Specified Peril. Reduction in coverage in that the following are not named as “**specified causes of loss**”: self-propelled missiles; and mine subsidence. Broadening of coverage in that the following are now named as “**specified causes of loss**”: falling objects; weight of snow ice or sleet; “**water damage**”; sonic boom; and elevator collision.

### Volcanic Action

Definition added. Newly-defined term used in the “**specified causes of loss**” definition.

### Water Damage

Definition added. New defined term used in the “**specified causes of loss**” definition.