



Anderson Musical Instruments Coverage Form

Various provisions in this policy restrict coverage, so you should 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 your Certificate Declarations. The words **we**, **us**, and **our** refer to the Company providing this insurance. The word **loss** means accidental loss or damage. These words do not appear in boldface in the policy text.

Your Certificate Declarations appear on your Description of Coverage, your Schedule of Covered Instruments, Accessories and Equipment, and on any endorsements related to you or your individual coverages; all other Declarations are Common Policy Declarations.

Words and phrases in **boldface** that have “**quotation marks**” have special defined meanings; refer to the **DEFINITIONS** section.

COVERAGES

SCHEDULED PROPERTY COVERAGE

1. We will pay for direct physical loss or damage, caused by or resulting from any of the Covered Causes of Loss, to Scheduled Property consisting of “**musical instruments**” and/or “**electronic equipment**” for which you have provided descriptions, values, and any serial numbers or other unique identifiers for the Schedule of Covered Instruments, Accessories and Equipment.
2. Scheduled Property Coverage does not apply to Newly Acquired Property or to Leased, Rented or Borrowed Property.
3. Scheduled Property Occurrence Limit – The most we will pay in total in any one occurrence for loss or damage to Scheduled Property is the Scheduled Property Occurrence Limit of Insurance shown in your Schedule of Covered Instruments, Accessories and Equipment.
4. Scheduled Value – The most we will pay for a scheduled “**musical instrument**” or an item of “**electronic equipment**” is its scheduled value. These values are part of and not in addition to the Scheduled Property Occurrence Limit of Insurance.

NEWLY ACQUIRED PROPERTY COVERAGE

1. We will pay for direct physical loss or damage, caused by or resulting from any of the Covered Causes of Loss, to Newly Acquired Property consisting of owned “**musical instruments**” and/or “**electronic equipment**” and/or “**Musical Scores**”:
 - a. That you have newly acquired; and
 - b. For which you have not provided their descriptions, values, and any serial numbers or other unique identifiers for the Schedule of Covered Instruments, Accessories and Equipment.
2. **Newly Acquired Property Coverage** does not apply to Scheduled Property or to Leased, Rented or Borrowed Property.
3. **Newly Acquired Property Coverage** applies until the first of the following occurs:
 - a. You report the descriptions, values, and any serial numbers or other unique identifiers of the “**musical instrument(s)**” and/or “**electronic equipment**” and/or “**Musical Scores**” to us;
 - b. 180 days pass from the date you acquire the “**musical instrument(s)**” and/or “**electronic equipment**” and/or the “**Musical Scores**”; or
 - c. This policy expires.

4. We will charge you additional premium for the reported values from the date you acquire the Newly Acquired Property.
5. **Newly Acquired Property Occurrence Limits**
 - a. The most we will pay for all loss in any one occurrence to newly acquired **“musical instruments”** is the Newly Acquired Musical Instrument Limit of Insurance. Unless a different limit is indicated on the Schedule of Coverages, the Limit is \$100,000.
 - b. The most we will pay for all loss in any one occurrence to newly acquired **“electronic equipment”** is the Newly Acquired Electronic Equipment Limit of Insurance. Unless a different limit is indicated on the Schedule of Coverages, the limit is \$1,000.
 - c. The most we will pay for all loss in any one occurrence to newly acquired **“Musical Scores”** is the Newly Acquired Musical Score Limit of Insurance. Unless a different limit is indicated on the Schedule of Coverages, the limit is \$10,000.
6. **Newly Acquired Musical Instrument Per Item Limit**
 - a. The most we will pay in any one occurrence for loss or damage to any one newly acquired **“musical instrument”** is the Newly Acquired Musical Instruments Per Item Limit of Insurance, which, unless otherwise shown in your Schedule Of Coverages, is \$10,000
 - b. The Newly Acquired Musical Instruments Per Item Limit of Insurance is part of and not in addition to the Newly Acquired Musical Instruments Occurrence Limit of Insurance.

LEASED, LOANED, RENTED OR BORROWED PROPERTY COVERAGE

1. We will pay for direct physical loss or damage, caused by or resulting from any of the Covered Causes of Loss, to Leased, Loaned, Rented or Borrowed Property consisting of **“musical instruments”** and/or **“electronic equipment”** and/or **“Musical Scores”** not owned by you:
 - a. That you lease, loan, rent or borrow from others and are responsible for insuring under the terms and conditions of the lease, loan, rental or loan agreement; and
 - b. For which you have not provided their descriptions, values, and any serial numbers or other unique identifiers for the Schedule of Covered Instruments, Accessories and Equipment.
2. **Leased, Loaned, Rented or Borrowed Property Coverage** does not apply to Scheduled Property or to Newly Acquired Property.
3. **Leased, Loaned, Rented or Borrowed Property Occurrence Limits**
 - a. The most we will pay in total in any one occurrence for loss or damage to leased, loaned, rented or borrowed **“musical instruments”** is the Leased, Loaned, Rented or Borrowed Musical Instruments Occurrence Limit of Insurance, which, unless otherwise shown in your Schedule Of Coverages, is \$25,000.
 - b. The most we will pay in total in any one occurrence for loss or damage to leased, loaned, rented or borrowed **“electronic equipment”** is the Leased, Loaned, Rented or Borrowed Electronic Equipment Occurrence Limit of Insurance, which, unless otherwise shown in your Schedule Of Coverages, is \$1,000.
4. **Leased, Loaned, Rented or Borrowed Musical Instrument Per Item Limit**
 - a. The most we will pay in any one occurrence for loss or damage to any one leased, loaned, rented or borrowed **“musical instrument”** is the Leased, Loaned, Rented or Borrowed Musical Instruments Per Item Limit of Insurance, which, unless otherwise shown in your Schedule Of Coverages, is \$10,000.
 - b. The Leased, Loaned, Rented or Borrowed Musical Instruments Per Item Limit of Insurance is part of and not in addition to the Leased, Loaned, Rented or Borrowed Musical Instruments Occurrence Limit of Insurance.

MUSICAL SCORE COVERAGE

1. We will pay for direct physical loss or damage to **“Musical Scores”** owned by you or owned by others in your care, custody or control caused by or resulting from any of the Covered Causes of Loss. The most we will pay for loss or damage to **“Musical Scores”** in any one occurrence is the Limit of Insurance shown on your Schedule of Coverages.

EXTENSIONS OF COVERAGE

The following Extensions of Coverage are included under your coverages, and are subject to the applicable limits of insurance.

Civil Authority

We will pay for direct physical loss or damage to **“Covered Property”** caused by or resulting from actions by a civil authority in an attempt to avoid further loss or damage caused by or resulting from a Covered Cause of Loss.

Removal

We will pay for:

1. Any direct physical loss or damage to **“Covered Property”** while being moved to and while stored at another location for up to 180 days; and
2. The cost to remove **“Covered Property”** from any premises;
if you must move **“Covered Property”** from a premises to preserve it from loss or damage caused by or resulting from a Covered Cause of Loss.

ADDITIONAL COVERAGES

Unless otherwise stated, each of the following Additional Coverages is provided only if a Limit of Insurance for such Additional Coverage is shown in the Schedule of Coverages.

Debris Removal

We will pay for the costs you incur to remove debris of damaged **“Covered Property”** caused by or resulting from any of the Covered Causes of Loss.

1. The most we will pay for the debris removal is the lesser of:
 - a. 25% of the covered direct physical loss or damage; or
 - b. The remaining limit of insurance applicable to the damaged **“Covered Property”** after payment of the covered direct physical loss or damage.
2. If the amount in 1. above is insufficient to pay the debris removal, we will pay the remaining debris removal, subject to the Debris Removal Limit of Insurance shown in the Schedule of Coverages.
3. Debris removal will be paid only if:
 - a. Reported to us in writing within 180 days of the date of the direct physical loss or damage to the **“Covered Property”**; and
 - b. A Limit of Insurance applicable to the lost or damaged **“Covered Property”** is shown in the Declarations.
4. Debris removal does not apply to costs to:
 - a. Clean up or remove **“pollutants”** from air, land, or water, either inside or outside of a building or structure; or
 - b. Clean up, remove, restore or replace polluted air, land, or water, either inside or outside of a building or structure

Inventory or Appraisals

We will pay the cost of any inventory or appraisal that we require from you to determine the extent of direct physical loss or damage to **“Covered Property”**, not to exceed the Inventory or Appraisals Limit of Insurance shown in your Schedule Of Coverages.

Limited Coverage for Property Leased or Rented to Others

We will pay a limited amount for loss or damage to **“Covered Property”** while it is in the care, custody or control of others to whom it has been leased or rented. The most we will pay under this Limited Coverage is the Property Leased or Rented to Others Limit of Insurance which, unless otherwise shown in your Schedule of Coverages, is \$1,000.

Performance Interruption Coverage

We will pay the actual amount of loss of income you incur as a result of the interruption or cancellation of your scheduled musical performance. We only pay when:

1. Access to your scheduled musical performance is specifically denied by order of civil authority. This order must be as a result of direct physical loss or damage to property, other than at the scheduled musical performance location and must be caused by a described Cause of Loss; or
2. The cancellation or interruption is caused by or results from direct physical loss or damage to the premises where your scheduled musical performance is to occur by a described Cause of Loss; or

3. The cancellation or interruption is caused by or results from direct physical loss or damage by a described Cause of Loss to property owned by a utility or other supplier that is not at the premises where your scheduled musical performance is to occur and which causes the interruption of:
- a. Power;
 - b. Gas; or
 - c. Water, including but not limited to wastewater treatment.

This Coverage does not apply to any musical performance held out of doors, including but not limited to concerts held on an outdoor stage or stadium.

This Coverage does not apply if your scheduled but interrupted or cancelled musical performance is rescheduled before the expiration of this Policy.

Described Cause of Loss, referred to in paragraphs 1. through 3. of this Additional Coverage, means only the following Causes of Loss: fire; lightning; explosion; windstorm or hail; smoke; leakage of fire extinguishing equipment; **“water damage”**; **“sinkhole collapse”**; **“volcanic action”**; or weight of snow, ice, or sleet.

The most we will pay for loss under this Additional Coverage in any one occurrence is \$500. The most we will pay in any 12 month period beginning with the inception of this Policy is \$500.

No deductible applies to this Additional Coverage.

This is the only Coverage that applies to Performance Interruption Coverage.

Pollutant Clean Up or Removal

We will pay the cost you incur to clean up or remove **“pollutants”** from air, land, or water, either inside or outside of a building or structure, if:

- The **“pollutants”** were part of **“Covered Property”**; and
- The discharge, dispersal, seepage, migration, release or escape of the **“pollutants”** is caused by or resulting from a Covered Cause of Loss.

These costs will be paid only if they are reported to us in writing within 180 days of the date the Covered Cause of Loss occurred which caused or resulted in the discharge, dispersal, seepage, migration, release or escape of the **“pollutants”**.

The Pollutant Clean Up or Removal Limit of Insurance shown in the Schedule of Coverages is the most we will pay for the sum of all such covered costs caused by or resulting from Covered Causes of Loss that occur during each separate 12-month policy period, regardless of whether this Additional Coverage appears in any other contract or contracts that form part of this policy.

We will not pay for the costs to test for, monitor, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of **“pollutants”** other than payment for testing which is performed during the clean up or removal of the **“pollutants”** from the air, land, or water, either inside or outside of a building or other structure.

Rental Reimbursement

We will pay for the actual and necessary expenses that you incur to rent substitute property due to covered loss or damage to a covered **“Musical Instrument”** owned by you. Rental Reimbursement Coverage begins 48 hours after the time that rental charges begin to accrue. Coverage ends:

1. When the Covered Property is repaired or replaced;
2. When the Covered Property can be put back to use; or
3. When the Covered Property should reasonably be expected to be repaired or replaced.

We will reimburse you for rental expenses that continue after the expiration date of this Policy, provided the loss or damage occurred before the expiration of this Policy.

This Coverage does not apply if you have other property which you can use which can act as a substitute for the damaged Covered Property.

The most we will pay in any one occurrence, or in any one 12 month policy period beginning with the inception of this Policy, is \$600. We will not pay more than \$100 in any thirty (30) consecutive days.

EXCLUSIONS

Acts or Decisions

We will not pay for loss or damage caused by or resulting from acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body. But, if an excluded cause of loss results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Consequential Loss

We will not pay for loss or damage caused by or resulting from delay, loss of use, loss of market or any other consequential loss.

Dishonesty

We will not pay for loss or damage caused by or resulting from dishonest or criminal acts by you, any of your partners, employees, directors, trustees, authorized representatives or anyone (except carriers for hire) to whom you entrust the property for any purpose:

- a. Acting alone or in collusion with others; or
- b. Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.

Faulty Work

We will not pay for loss or damage (including the costs of correcting or making good) caused by or resulting from faulty, inadequate, defective or negligent:

- a. Design, specifications, workmanship, repair, construction;
- b. Materials used in repair or construction; or
- c. Maintenance;

of part or all of any property wherever located.

But, if an excluded cause of loss results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Governmental Action

We will not pay for loss or damage caused directly or indirectly by seizure or destruction of property by order of governmental authority. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

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.

Hidden or Latent Defect

We will not pay for loss or damage caused by or resulting from hidden or latent defect or any quality in property that causes it to damage or destroy itself. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

Leased or Rented To Others

We will not pay for loss or damage to “**Covered Property**” while it is in the care, custody or control of others to whom it has been leased or rented whether with or without a lease or rental agreement or fee.

To the extent that coverage is provided in the Limited Coverage for Property Leased or Rented to Others, this exclusion does not apply.

Mysterious Disappearance

We will not pay for loss or damage caused by or resulting from disappearance or shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This exclusion does not apply to any ensuing loss or damage by a Covered Cause of Loss.

Nuclear Hazard

We will not pay for loss or damage caused directly or indirectly by: any weapon employing atomic fission or fusion; nuclear reaction or radiation; or radioactive contamination; however caused. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

Pollutants

We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "**pollutants**" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "**pollutants**" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

Theft from Unlocked Vehicle

We will not pay for loss or damage caused by or resulting from theft from any unattended vehicle unless at the time of the theft its windows, doors and compartments were closed and locked and there are visible signs that the theft was the result of forced entry.

But this exclusion does not apply to property in the custody of a carrier for hire.

War and Military Action

We will not pay for loss or damage caused directly or indirectly by

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

Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

Wear and Tear

We will not pay for loss or damage caused by or resulting from wear and tear or gradual deterioration. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

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 Schedule Of Coverages.

DEDUCTIBLES

We will not pay for loss or damage in any one occurrence until the amount of adjusted loss or damage before applying the applicable Limit of Insurance exceeds the applicable Deductible. We will then pay the amount of the adjusted loss or damage in excess of the Deductible up to the applicable Limit of Insurance.

If more than one Deductible applies in any one occurrence, the largest applicable Deductible will be used.

Electronic Equipment Deductible

In the event of a loss occurrence involving only loss or damage to “**electronic equipment**”, we will pay the amount of loss or damage in excess of the Electronic Equipment Deductible. Unless otherwise shown in your Schedule Of Coverages, the Electronic Equipment Deductible is \$250.

Common Carrier Increased Deductible

1. If a “**Common Carrier**” Deductible is shown in your Schedule Of Coverages, it replaces the policy deductible for loss or damage to “**Covered Property**” while in the possession of a “**Common Carrier**”,
2. If a “**Common Carrier**” Deductible is not shown in your Schedule Of Coverages, the policy deductible applies to loss or damage to “**Covered Property**” while in the possession of a “**Common Carrier**”.

CONDITIONS

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

LOSS CONDITIONS

Abandonment

Condition **A. Abandonment** in the LOSS CONDITIONS Section of the COMMERCIAL INLAND MARINE CONDITIONS form is replaced by the following:

A. Abandonment

There can be no abandonment of any property to us unless we specifically agree to such abandonment in writing.

Other Insurance

Condition **F. Other Insurance** in the LOSS CONDITIONS Section of the COMMERCIAL INLAND MARINE CONDITIONS form is amended to add the following:

This insurance is excess of any other insurance for “**Covered Property**” not owned by you and in your care, custody or control.

Recovered Property

Condition **H. Recovered Property** in the LOSS CONDITIONS Section of the COMMERCIAL INLAND MARINE CONDITIONS form is replaced by the following:

If any lost or damaged property is recovered by you or us after a loss payment is made, the party making the recovery must give the other party prompt notice.

If any lost or damaged property has a salvage value, we shall control the disposition of the salvage.

When property is recovered, at your option, you may:

- Keep the recovered property and return the loss payment to us; or
- Keep the loss payment and we will keep the recovered property.

If any recovered property has salvage value, or if there is any money recovered through subrogation, we will reimburse you, from the amount recovered for:

- The deductible amount that was paid;
- The penalties you paid as a result of coinsurance, if applicable, and
- Any uninsured loss or damage resulting from an insufficient Limit of Insurance

If there are any expenses in recovering any lost or damaged property, or through subrogation, we will share the expenses with you in proportion to the amount we are each reimbursed.

GENERAL CONDITIONS

Policy Period, Coverage Territory

Condition E. Policy Period, Coverage Territory in the GENERAL CONDITIONS Section of the COMMERCIAL INLAND MARINE CONDITIONS form is replaced by the following:

E. Policy Period, Coverage Territory

1. We cover loss or damage commencing:
 - a. During the policy period shown in your Certificate Declarations; and
 - b. Within the coverage territory as described and limited in 2. below.
2. The coverage territory is anywhere within, and in transit within and between, points and places worldwide. However, this coverage does not apply:
 - a. To shipments of **“Covered Property”** to, from, or while passing through; or
 - b. To **“Covered Property”** while located within;
any country on which the Government of the United States of America has imposed sanctions which prohibit trade, unless you have received permission from the Department of State of the United States of America, even if you are incorporated, chartered, or otherwise formed outside of the United States of America.

Valuation

Condition F. Valuation in the GENERAL CONDITIONS Section of the COMMERCIAL INLAND MARINE CONDITIONS form is replaced by the following:

F. Valuation

The value of **“Covered Property”** will be the least of the following amounts:

- a. Amount for which you are liable;
- b. Actual cash value of the lost or damaged property;
- c. Cost of reasonably restoring the property to its condition immediately before the loss; or
- d. Cost of replacing the lost or damaged property with substantially identical property.

If a valuation method other than actual cash value applies, as shown in the Declarations or by a valuation condition in the Coverage Form, that valuation method applies in **b.** above in place of actual cash value.

The value will include the value of labor, materials or services furnished or arranged by you.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage, except that a “diminished value”, if applicable, will be determined as of the time repairs are completed.

PROPERTY VALUATION METHODS AND LOSS PAYMENT CONDITIONS

Condition A. **Loss Payment** in the PROPERTY VALUATION METHODS AND LOSS PAYMENT CONDITIONS Section of the COMMERCIAL INLAND MARINE CONDITIONS form is replaced by the following:

A. Loss Payment

1. In the event of loss or damage covered by this policy, at our option we will either:
 - a. Pay the value of lost or damaged property;
 - b. Pay the cost of repairing or replacing the lost or damaged musical instruments, plus, in the case of property covered on an **“agreed value”** basis, the **“diminished value”**, if any, of the repaired items.
 - c. Take all or any part of the damaged property at an agreed or appraised value; or
 - d. Repair, rebuild or replace the property with other property of like kind and quality, except in the case of property that is covered on an **“agreed value”** basis.
We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We will not pay more than the least of the following amounts:
 - a. The Limit of Insurance under this policy that applies to the loss;
 - b. The value of the lost or damaged property; or
 - c. For building property, the amount that you actually spend that is necessary to repair or replace the lost or damaged property at:
 - (1) The same location; or
 - (2) Another location;
for the same use and occupancy.

- d. For property other than building property, the amount that you actually spend that is necessary to repair or replace the lost or damaged property, plus, in the case of property covered on an **“agreed value”** basis, the **“diminished value”**, if any, of the repaired items.

Condition **B. Valuation Methods** in the PROPERTY VALUATION METHODS AND LOSS PAYMENT CONDITIONS Section of the COMMERCIAL INLAND MARINE CONDITIONS form is amended to add the following conditions:

Valuation Basis – Musical Instruments

Subject to the applicable limit(s) of insurance:

1. **“Musical instruments”** that are covered as Scheduled Property are valued on an **“agreed value”** basis as described in **Agreed Value Basis** below, unless a valuation basis other than **“agreed value”** is indicated in the Schedule of Covered Instruments, Accessories and Equipment.
2. **“Musical instruments”** that are not covered as Scheduled Property are valued on an Actual Cash Value basis unless otherwise indicated in your Certificate Declarations.
3. However, for **“musical instruments”** not owned by you and in your care, custody or control, we will not pay more than the amount for which you are legally liable.
4. **Extended Warranties** - Valuation of **“musical instruments”** includes the pro-rated costs paid for the unused portion of non-refundable extended warranties, maintenance contracts or service contracts that you purchased, which are no longer valid on lost or damaged **“musical instruments”** that you repair or replace.

Agreed Value Basis

1. 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 for the purpose of this insurance.
2. In the event of loss or damage to a **“musical instrument”** that is covered as Scheduled Property on an **“agreed value”** basis, we will pay the lesser of:
 - a. The cost of repairing the damaged **“musical instrument”** plus the **“diminished value”**, if any, as described in **Diminished Value** below; or
 - b. The **“agreed value”** of the **“musical instrument”**.
3. **“Diminished value”** means the reduction in the value of a **“musical instrument”** that is covered as Scheduled Property on an **“agreed value”** basis due to it having been repaired. The **“diminished value”** is the difference between the **“agreed value”** prior to the repair and the resulting value after the repair. The resulting value then becomes the new **“agreed value”**.

Diminished Value

1. If a **“musical instrument”** that is covered as Scheduled Property on an **“agreed value”** basis:
 - a. Is repaired due to a Covered Cause of Loss; and
 - b. The value of the **“musical instrument”** is diminished due to it having been repaired; we will pay for the reduction in value from the **“agreed value”** of that **“musical instrument”**.
2. If we and you disagree on the **“diminished value”** of the property, either may make written demand for a **“diminished value”** appraisal of the loss per the **Diminished Value Appraisals** condition below.
3. The maximum we will pay on any one claim for repair costs plus **“diminished value”** will be the **“agreed value”** of that **“musical instrument”**.

Diminished Value Appraisals

If **“diminished value”** appraisals are needed per **Diminished Value** paragraph 2. above:

- a. Have **“diminished value”** appraisals completed by two (2) credentialed appraisers of comparable **“musical instruments”** estimating the percent of value the **“musical instrument”** has lost. Use of a non-credentialed appraiser must be pre-approved by us. We will pay for these two (2) appraisals at our expense.
- b. If the two (2) appraisals differ by ten percent (10%) or less, the higher of the two (2) appraisals will be used, and the percent of **“agreed value”** paid to you for the **“diminished value”**.
- c. If the two (2) appraisals differ by more than ten percent (10%), we will pay the lower percentage plus 10%.
- d. We will allow, at your expense, a third appraisal by a third credentialed or pre-approved appraiser. We will pay the average percentage of the three (3) submitted **“diminished value”** appraisals.

- e. 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

Subject to the applicable limit(s) of insurance:

1. **“Electronic equipment”** is valued on a Functional Replacement Cost basis as described in paragraph **b. Functional Replacement Cost** in Condition B. Valuation Methods in the PROPERTY VALUATION METHODS AND LOSS PAYMENT CONDITIONS Section of the COMMERCIAL INLAND MARINE CONDITIONS form, unless **2.** below applies.
2. For **“electronic equipment”** that is covered as Scheduled Property, a valuation basis other than Functional Replacement Cost may apply if indicated for that **“electronic equipment”** in the Schedule of Covered Instruments, Accessories and Equipment.
3. However, for **“electronic equipment”** not owned by you and in your care, custody or control, we will not pay more than the amount for which you are legally liable.
4. **Extended Warranties** - Valuation of **“Electronic Equipment”** includes the pro-rated costs paid for the unused portion of non-refundable extended warranties, maintenance contracts or service contracts that you purchased, which are no longer valid on lost or damaged **“electronic equipment”** that you repair or replace.

Valuation Basis – Musical Scores

The following section describes the valuation basis applicable to **“Musical Scores”**.

1. Valuation of “Musical Scores” owned by others.

The valuation of covered **“Musical Scores”** owned by others in your care, custody, or control will be based on the amount for which you are liable, not to exceed Replacement Cost.

2. Valuation of “Music Scores” owned by you:

a. As respects Scheduled “Musical Scores”:

- 1) In event of covered total loss, the value of that property will be based on the **“agreed value”** indicated on the Schedule of Coverages.
- 2) In event of covered partial loss and property is repaired or restored, the value of that property will be based on the cost to repair or restore property to its condition immediately prior to loss. But, the amount we pay to repair or restore property will not exceed the **“agreed value”**.

In the event of covered partial loss and property is not repaired or restored, the value of that property will be based on actual cash value. A deduction for depreciation will be made.

b. As respects Unscheduled “Musical Scores”, the value of that property will be based on Replacement Cost.

As used in this section and applicable to **“Musical Scores,”** Replacement Cost means the reasonable cost to replace damaged property with new property of like, kind and quality, without any deduction for depreciation.

LOSS PAYEE CONDITION

The LOSS PAYEE CONDITION in the COMMERCIAL INLAND MARINE CONDITIONS form is replaced by the following:

Anderson Musical Instrument Coverage Form

221-0163 17 06

For **“Covered Property”** in which both you and a Loss Payee shown in your Certificate Declarations have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

DEFINITIONS

When used with respect to insurance under this contract:

AGREED VALUE

“Agreed value” means the scheduled value of a **“musical instrument”** or a **“Musical Score”** that is covered as Scheduled Property on an **“Agreed Value”** basis.

“BLANKET LIMIT” means a single blanket limit that applies to two or more insured items up to the specified coverage limit.

COMMON CARRIER

“Common Carrier” means any person or organization that transports property for a fee, including express carriers, regardless of the mode of transportation.

COVERED PROPERTY

“Covered Property” means:

1. For items insured under your **Scheduled Property Coverage**:
Scheduled Property consisting of **“musical instruments”** and/or **“electronic equipment”** and/or **“Musical Scores”** that are listed, with their descriptions, values, and any serial numbers or other unique identifiers on the Schedule of Covered Instruments, Accessories and Equipment and Musical Scores. Unscheduled **“Musical Scores”** is that property without any serial numbers or other unique identifiers on the Schedule.
2. For items insured under your **Newly Acquired Property Coverage**:
Newly Acquired Property consisting of owned **“musical instruments”** and/or **“electronic equipment”** and/or **“Musical Scores”**:
 - a. That you have newly acquired; and
 - b. For which you have not provided their descriptions, values, and any serial numbers or other unique identifiers for the Schedule of Covered Instruments, Accessories and Equipment.
3. For items insured under your **Leased, Rented or Borrowed Property Coverage**:
Leased, Rented or Borrowed Property consisting of **“musical instruments”** and/or **“electronic equipment”** and/or **“Musical Scores”** not owned by you:
 - a. That you lease, rent or borrow from others and are responsible for insuring under the terms and conditions of the lease, rental or loan agreement; and
 - b. For which you have not provided their descriptions, values, and any serial numbers or other unique identifiers for the Schedule of Covered Instruments, Accessories and Equipment.

As respects, items of **“Covered Property”** insured under this Coverage Form, when the term Covered Property appears in a form or endorsement attached to this policy, that term takes the same meaning as **“Covered Property”**.

COVERED CAUSES OF LOSS

Covered Causes of Loss means fortuitous risks of direct physical loss to **“Covered Property”** except those causes of loss listed in the **EXCLUSIONS**.

DIMINISHED VALUE

“Diminished value” means the reduction in the value of a **“musical instrument”** that is covered as Scheduled Property on an **“agreed value”** basis due to it having been repaired. The **“diminished value”** is the difference between the **“agreed value”** prior to the repair and the resulting value after the repair.

ELECTRONIC EQUIPMENT

“Electronic equipment” means amplifiers, computer hardware, and other miscellaneous electronic equipment and related accessories, used with your **“musical instruments”**.

“Electronic equipment” does not mean computer software, media or data of any kind.

MUSICAL INSTRUMENTS

“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).

“Musical instruments” does not mean:

- a. Accounts, bills, deeds, evidences of debt or other valuable papers or records;
- b. Aircraft, motor vehicles, trailers, semi-trailers or watercraft;
- c. Furniture, fixtures, furnishings, office machinery or equipment, stationery and tenants' improvements and betterments;
- d. Jewelry, watches, furs, garments trimmed with fur, bullion, precious metals, precious or semi-precious stones or gems, or stamps or coins whose value exceeds face value; or
- e. Money, notes or securities.

MUSICAL SCORES

“Musical Score” or **“Musical Scores”** mean: sheet music in published, electronic, or manuscript format used to compose, record, guide, or perform music or vocal arrangements. **“Musical Scores”** are not valuable papers or records.

POLLUTANTS

“Pollutants” means:

- a. Any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fibers, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be disposed of, recycled or reclaimed;
- b. Organisms or microorganisms including bacteria, fungus, mold or their spores or products; or
- c. Viruses or other pathogens.

SINKHOLE COLLAPSE

“Sinkhole Collapse” means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

- a. The cost of filling sinkholes; or
- b. Sinking or collapse of land into man-made underground cavities.

SPECIFIED CAUSES OF LOSS

“Specified causes of loss” means the following:

Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; **“sinkhole collapse”**; **“volcanic action”**; falling objects; weight of snow, ice or sleet; **“water damage”**; sonic boom; and elevator collision.

VOLCANIC ACTION

“Volcanic action” means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- a. Airborne volcanic blast or airborne shock waves;
- b. Ash, dust, or particulate matter; or
- c. Lava flow.

“Volcanic action” does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss of or damage to the described property.

WATER DAMAGE

“Water damage” means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.