

Awaiting Lloyd's registration number

Hiscox reference: PC04

To be attached to Lloyd's J(A) Form

Attaching to and forming part of policy/certificate number:

Guide to sections

01 Introduction

02 Definitions

03 The Cover

03 What is covered

03 How much we will pay

03 Other cover

04 What is not covered

05 What to do when a loss occurs

06 General Conditions

07 Notice to the insured

Introduction

This insurance has been specially designed for fine art collectors. **We** intend the language and layout to be clear because **we** want **you** to understand the cover **we** provide and **your** obligations.

Please read this insurance, together with any **endorsements** and the **schedule**, very carefully. If anything is not correct, please return it immediately.

We will provide this insurance in return for the premium **you** have paid.

Definitions

Words shown in **bold** type are defined below and have the same meaning throughout this insurance.

Act of terrorism

An act, including using or threatening to use force or violence which:

- is committed by a person or group of people, whether acting alone or on behalf of or in connection with an organisation or government; and
- is for political, religious, ideological or similar reasons. This includes the intention to influence a government or to frighten the public or any section of the public.

Amount insured

The most **we** will pay for each incident of loss as shown in the **schedule**.

Excess

The amount for which **you** are responsible as the first part of each agreed claim.

Period of insurance

The time for which this insurance is in force as shown in the schedule.

We, us, our

The underwriters who have a share in this insurance.

You, your

The person named as the insured in the schedule.

The Cover

WHAT IS COVERED

We will insure **your** fine art up to the **amount insured** against physical loss or physical damage which happens at the named location or anywhere else in the world during the **period of insurance**, subject to the exclusions, terms and conditions shown below.

HOW MUCH WE WILL PAY

If an item is partly damaged, **you** may decide whether **we** repair, replace or pay the value of the damaged item. If **we** repair it, **we** will also pay for any loss in value. The most **we** will pay in total is the value of that item.

If an item is lost or destroyed, **we** will pay the value of that item.

For items listed individually, the value is the amount shown for each item in the specification held by **us** or **your** insurance agent.

For unspecified items, the value is the market value of the item on the date of loss. The most **we** will pay in total for each incident of loss is the **amount insured**.

Pairs and sets

If any item which has an increased value because it forms part of a pair or set is lost or damaged, any payment **we** make will take account of the increased value. **You** may decide if **we** pay the value of the entire pair or set. The most **we** will pay is the value of that pair or set.

Full payment

If **we** pay the full **amount insured** for an item, pair or set, **we** will then own it and have the right to take possession of it.

Recovered property

If **we** recover any of **your** property after a loss, **we** will write to **you** at **your** correspondence address shown in the schedule and **you** can buy it back from **us** within 60 days. **We** will charge:

1. the amount **we** paid for **your** claim plus interest; or
 2. the fair market value of the item at the time **we** recover it;
- whichever is less.

OTHER COVER

New possessions

We will allow an increase in the total **amount insured** of up to 25% to cover any items **you** acquire during the **period of insurance**. **We** will only do this if **you** tell **us** about the new possession within 60 days of acquisition and pay an extra premium.

What is not covered

We do not cover:

1. Loss or damage caused by wear and tear, gradual deterioration, inherent defect, rust or oxidation, moth or vermin, warping or shrinkage.
2. Mechanical or electrical faults or breakdown.
3. The **excess**.
4. Loss, damage, costs or expenses arising directly or indirectly from biological or chemical contamination caused by or resulting from an **act of terrorism**. This includes poisoning, or preventing or limiting the use of an object, due to the effects of any biological or chemical agent.
5. Loss, damage or liability arising directly or indirectly from nuclear reaction, nuclear radiation or radioactive contamination.
6. Loss, damage or liability directly or indirectly caused by war, invasion, act of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power.
7. Loss or damage caused by or resulting from **your** property being confiscated, taken, damaged or destroyed by or under the order of any government or public or local authority.
8. Any claim to the extent that **you** would be entitled to be paid under any other insurance if this insurance did not exist.

What to do when a loss occurs

How to make a claim

You must tell **us** or **your** insurance agent as soon as possible about any incident which **you** may need to claim for under this insurance. If **you** do not, **we** will not have to pay **your** claim. If **you** think a crime has been committed, **you** must also tell the police and obtain a claim reference number from them.

You must prove the loss or damage has happened and give **us** all the cooperation **we** need.

Recovering a loss payment

We may pursue, in **your** name but at **our** expense, recovery of amounts **we** may become liable to pay under this insurance. **You** must give **us** all the assistance **we** may reasonably require to do this.

General conditions

Information

In deciding to accept this insurance and in setting the terms, **we** have relied on the information **you** have given **us** (including the information in any proposal form). **You** must make sure that all information is accurate and that **you** have not withheld any facts that might have influenced **our** decision. If **you** are in any doubt, **you** should speak to **us** or **your** insurance agent.

You must tell **us** about any change in circumstances which occurs before or during the **period of insurance** and which may affect this insurance. **We** may then amend the terms of this insurance. If **you** are in any doubt, **you** should speak to **us** or **your** insurance agent.

Non-disclosure, misrepresentation and false claims

If **you** have not told **us** about or have misrepresented any facts or circumstances which might affect **our** decision to provide insurance or the terms of that insurance, or **you** have made a false claim, **we** can refuse to pay a claim or **we** can treat this insurance as though it had never existed.

Reasonable care

You must take reasonable steps to protect the insured property against loss or damage and to keep it in good condition and repair. If **you** do not, **we** will not have to pay any related claim.

Cancellation

You may cancel this **policy** up to 14 days from the start of the contract (plus postage time) and receive a full premium refund. **You** may cancel this insurance by writing to **us**. If **you** have not made a claim, **we** will return any premium **you** have paid for any **period of insurance** left.

We may cancel this insurance by sending **you** 30 days' notice by recorded post to **your** correspondence address shown in the schedule. **We** will return any premium **you** have paid for any **period of insurance** left.

Third parties

You and **we** are the only parties to this insurance. Nothing in this insurance is intended to give any person any right to enforce any term of this insurance which that person would not have had but for the Contracts (Rights of Third Parties) Act 1999.

Joint insureds

If there is more than one of **you**, the total amount **we** will pay will not exceed the amount **we** would be liable to pay to any one of **you**.

Governing law

Unless some other law is agreed in writing, this insurance is governed by English law. If there is a dispute, it will only be dealt with in the courts of England.

Notice to the insured

You and **we** are free to choose the law applying to this insurance contract. Unless specifically agreed to the contrary, this insurance shall be subject to English law.

Any enquiry or complaint should be addressed in the first instance to **your** insurance agent.

If you are not satisfied with the way a complaint has been dealt with **you** may ask the Complaints Department at Lloyd's to review **your** case without prejudice to **your** rights in law. The address is:

Complaints Department Lloyd's
One Lime Street
LONDON EC3M 7HA

Telephone: 020 7327 5693
+44 20 7327 5693 from outside the United Kingdom

If **you** are not satisfied with the way **your** complaint has been dealt with, **you** may ask the Ombudsman to review **your** case without affecting **your** legal rights. The address is:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR

Telephone: 0845 080 1800
+44 20 7964 1000 from outside the United Kingdom

In any communication, please quote the policy/certificate number shown in the schedule.

Hiscox Syndicates Limited and Hiscox Insurance Company Limited are authorised and regulated by the Financial Services Authority.

Ref: 4146 09/04

1 Great St Helen's, London EC3A 6HX
Tel: +44 (0)20 7448 6000
Website: www.hiscox.com
Email: enquiry@hiscox.com

