



# ESSEX INSURANCE COMPANY

**THESE ARE THE CONDITIONS APPLICABLE TO YOUR INLAND MARINE POLICY. YOUR FAILURE TO COMPLY WITH THESE CONDITIONS WILL VOID YOUR COVERAGE.**

## **General Conditions**

- 1. Misrepresentation and Fraud.** This entire Policy shall be void if, whether before or after a **loss**, the **Insured** has intentionally or inadvertently concealed or misrepresented any material fact or circumstance concerning this insurance, any **loss** or the interest of the **Insured** in the policy, or in case of any fraud or false swearing by the **Insured** relating thereto.
- 2. Notice of Loss.** The **Insured** shall as soon as practicable report in writing to **us** or **our** authorized representative every **loss** or occurrence which may give rise to a claim under this Policy. The **Insured** shall be required to give prompt notice to the police when an act that causes **loss** is a crime.
- 3. Proof of Loss.** If required by **us** the **Insured** shall, within ninety (90) days from **our** request, present a detailed sworn proof of **loss** to **us**.
- 4. Policy Period.** We will only pay for a covered **loss** that occurs during the policy period.
- 5. Examination Under Oath.** The **Insured**, as often as may be reasonably required, shall exhibit to any person designated by **us** all that remains of any **covered property**, and shall submit, and in so far as is within his or their power, cause his or their employees, members of the household and others to submit to examinations under oath by any person named by **us** and subscribe the same; and, as often as may be reasonably required, shall produce for examination all documents, photographs, computer records, writings, books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by **us** or **our** representative, and shall permit extracts and copies thereof to be made. No such examination under oath or examination of books or documents, nor any other act of **ours** or any of **our** employees or representatives in connection with the investigation of any **loss** hereunder, shall be deemed a waiver of any policy provision, condition or defense **we** might otherwise have with respect to any **loss**, but all such examinations and acts shall be deemed to have been made or done without prejudice to **our** liability.
- 6. No Benefit to Bailee.** This insurance shall in nowise inure directly or indirectly to the benefit of any carrier or other bailee.
- 7. Subrogation or Loan.** If in the event of **loss** the **Insured** shall acquire any right of action against any individual, firm or corporation for **loss** to covered property, the **Insured** will, if requested by **us**, assign and transfer such claim or right of action to **us** or, at **our** option, execute and deliver to **us** the customary form of loan receipt upon receiving an advance of funds in respect of the **loss**; and will subrogate to **us**, or will hold in trust for **us**, all such

rights of action to the extent of the amount paid or advanced, and will permit suit to be brought in the **Insured**'s name under **our** direction and expense.

- 8. Protection of Property.** In case of **loss**, it shall be lawful and necessary for the **Insured**, his or their factors, servants and assigns, to sue, labor and travel for, in and about the defense, safeguard and recovery of any **covered property**, or any part thereof, for which claim may be presented under this policy hereunder without prejudice to this insurance, nor shall the acts of the **Insured** or **us** in recovering, saving and preserving the **covered property** in case of **loss** be considered a waiver or an acceptance of abandonment. This condition does not provide any additional coverage to **you**.
- 9. Impairment of Recovery.** **You** are required to take all steps to preserve any right **you** have to recover from others for the **loss**. If **you** do anything to impair those rights, before or after the **loss**, coverage will not be provided under this policy.
- 10. Recoveries.** If **we** make any payment under this policy and the **covered property** is recovered, or salvaged, or a third party responsible for the **loss** makes payment for the **loss**, all recovery expenses, including contingency fees and suit expenses incurred will be deducted from the recovery. The balance of the recovery will be paid to **us** and the **Insured** in accordance with their pro-rated interest in the **loss**.
- 11. Privilege to Adjust With Owner.** **We** reserve the right to adjust any claim for **loss** to Covered Property with the owner or owners of the **covered property**. A release from the owners of the covered property to **us** will extinguish **your** rights under this policy.
- 12. Admission of Liability and Duty to Cooperate.** **You** shall not voluntarily admit any liability or settle any claim or incur any expense (except as otherwise provided in this policy) for **loss** to covered property owned by other parties without **our** specific authority. **You** may not interfere with any settlement negotiations **we** have with the owner of covered property. **You** have a duty to cooperate in the investigation, adjustment and settlement of any **loss**.
- 13. Payment of Loss.** A covered **loss** will be payable 30 days after a satisfactory proof of **loss** is received or a final judgment award is entered against you.
- 14. Other Insurance.** If **you** or the owners of **covered property** have other insurance which is available to **you** or the owners of **covered property** to cover this **loss**, **we** will pay only the amount of the **loss**, subject to all valuation provisions, which is excess over the other insurance. **We** won't pay more than the applicable limit of coverage under the policy
- 15. Pair, Set or Parts.** In the event of **loss** to:

  - (a) any article or articles which are a part of a pair or set, the measure of **loss** to such article or articles shall be a reasonable and fair proportion of the total value of the pair or set, giving consideration to the importance of said article or articles, but in no event shall such **loss** be construed to mean total **loss** of the pair or set; or
  - (b) any part of property covered consisting, when complete for use, of several parts, **we** shall only be liable for the value of the part lost or damaged.

**16. Appraisal.** If **we** and the **Insured** fail to agree as to the amount of **loss**, each shall, on the written demand of either, made within sixty (60) days after the receipt of proof of **loss** by **us**, have the right to request an appraisal. Within 20 days after receipt of the written demand, each shall select a competent and disinterested appraiser. The appraisers shall then select a competent and disinterested umpire, and failing for fifteen (15) days to agree upon such umpire, then, on the request of the **Insured** or **us**, such umpire shall be selected by a judge of a court of record in the State in which such appraisal is pending. The appraisers shall then appraise the **loss**, stating separately the actual cash value at the time of **loss** and the amount of **loss**, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of **loss**. **We** and the **Insured** shall each pay his or its chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. **We** shall not be held to have waived any of **our** rights by any act relating to appraisal.

**17. Loss Clause.** Any **loss** hereunder shall not reduce the amount of this Policy, except in the event of payment of claim for total **loss** of an item specifically scheduled hereon. If claim is paid for total **loss** of **covered property**, the premium for that covered property shall be deemed fully earned.

**18. Suit.** No suit, action or proceeding for the recovery of any claim under this Policy shall be sustainable in any court of law or equity unless the same be commenced within twelve (12) months next after discovery by the **Insured** of the occurrence or **loss** which gives rise to the claim, provided however, that if by the laws of the State within which this Policy is issued such limitation is invalid, then any such claims shall be void unless such action, suit or proceeding be commenced within the shortest limit of time permitted by the laws of such State.

**19. Cancellation.** This Policy may be cancelled by the **Insured** by surrender thereof to **us** or any of its authorized representatives or by mailing to **us** written notice stating when thereafter such cancellation shall be effective. This Policy may be cancelled by **us** by mailing to the **Insured** at the address shown in this Policy or last known address written notice stating when, not less than five (5) days thereafter, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date of the cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the **Insured** or **us** shall be equivalent to mailing.

If the **Insured** cancels, earned premiums shall be computed in accordance with the customary short rate table and procedure. If **we** cancel, earned premium shall be computed pro rata. Premium adjustment may be made at the time cancellation is effected and, if not then made, shall be made as soon as practicable after cancellation becomes effective. **Our** check or the check of **our** representative mailed or delivered as aforesaid shall be a sufficient tender of any refund of premium due to the **Insured**.

**20. Changes.** Notice to any authorized representative or knowledge possessed by any authorized representative or by any other person shall not effect a waiver or a change in any part of this Policy or stop **us** from asserting any right under the terms of this Policy, nor shall the terms of this Policy be waived or changed, except by endorsement issued to form a part of this Policy.

- 21. Excess Insurance.** It is agreed that no excess insurance is permitted without **our** written permission, and without said written permission this policy is declared null and void.
- 22. Statutory Endorsements.** This Policy may be issued in contemplation of the possible addition thereto of endorsement to effect compliance by the **Insured** with provisions of statutes regulating the business of the **Insured**. No such endorsement shall be valid for any purpose unless required for mandatory or permissive compliance with terms of the statute actually to the **Insured** at the time of **loss** or damage.
- 23. Conformity to Statutes.** Terms of this Policy which are in conflict with the statutes of the State wherein this Policy is issued are hereby amended to conform to such statutes.
- 24. Service of Suit.** It is agreed that in the event of the failure of **us** to pay any amount due and owed hereunder, as per the terms and conditions of this policy, **we**, at the request of the **Insured** (or reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of **our** rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon:

The Company's President, or his nominee, at 4521 Highwoods Parkway, Glen Allen, VA 23060-6148 and that in any suit instituted against anyone of them upon this contract, we will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of **us** in any such suit and/or upon the request of the **Insured** (or Reinsured) to give a written undertaking to the **Insured** (or Reinsured) that they will enter a general appearance upon **our** behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, **we** hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the **Insured** (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above named as the person to whom the said officer is authorized to mail such process or a true copy thereof.