



redefining / insurance

Fine Art Dealer Coverage All Risks Policy



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AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

Throughout this policy, "you" and "your" refer to the Named Insured shown in the Schedule. The words "we", "us" and "our" refer to the Company providing this insurance.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is and is not covered.

Words and phrases that appear in quotation marks have special meaning. Refer to the Definitions Section.

FINE ART DEALER COVERAGE

A. COVERAGE

1. Covered Property

We will pay for "loss" to your "stock" in trade consisting of Objects of Art of every nature and description owned by you or in your care, custody and control, or for which you have agreed prior to "loss" to insure.

- (a) We will pay for "loss" to your reference library and other reference material belonging to you which are not for sale or listed in your inventory.
- (b) We will pay for "loss" to furniture and fixtures of a fine arts nature belonging to you which are not for sale or listed in your inventory.

2. Property Not Covered

Covered Property does not include:

- (a) Improvements and betterments of buildings, furniture and fixtures (except as described in the Coverage Summary), tools, implements, stationery and similar property which is not for sale, or any property used or intended to be used by the Insured in the operation of the Insured's business.
- (b) Property while at any exhibition promoted or financially assisted by any public authority or trade association unless such premises are specifically stated in this policy.
- (c) Property sold under a deferred payment sales agreement, after it has left your custody. However, we will cover in the custody of carriers for hire when you are responsible for delivery.
- (d) Export shipments after loaded on board exporting vessel / aircraft or under the protection of marine insurance, whichever first occurs.
- (e) Import shipments until after discharge from the importing vessel / aircraft or the risks assumed by the marine insurance ceases, whichever last occurs.
- (f) Contraband or property in the course of illegal transportation or trade.

3. Covered Causes of Loss

We will pay for direct physical "loss" to Covered Property unless the "loss" is excluded in Section B – Exclusions.

B. EXCLUSIONS

1. We will not pay for a "loss" caused directly or indirectly by any of the following. Such "loss" is excluded regardless of any other cause or event.

(a) War and Military Action

- (1) War, including undeclared war, civil war;



- (2) 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
 - (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.
- (b) Governmental Action**
Seizure or destruction of property by order of governmental authority.
However, we will pay for 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.
- (c) Nuclear Hazard**
- (1) Any weapon employing atomic fission or fusion; or
 - (2) Nuclear reaction or radiation or radioactive contamination however caused.
- However, we will pay for direct "loss" caused by resulting fire if the fire would be covered under this coverage.
2. We will not pay for "loss" caused by or resulting from:
- (a) Wear and tear, any quality in the product which causes it to damage or destroy itself, gradual deterioration, mold, insects, vermin, rodents, fungus or fungal attack, atmospheric or climatic conditions, or the action of light;
 - (b) Changes in or extremes of dampness or dryness of atmosphere or temperature;
 - (c) Damage sustained due to or resulting from any repair, restoration, or retouching;
 - (d) Any fraudulent, dishonest, or criminal act or acts by:
 - (1) You, anyone else with an interest in the property or your or their employees whether or not committed alone or in collusion with others, whether or not such act or acts be committed during the hours of employment; or
 - (2) Anyone entrusted with the Covered Property.But this exclusion does not apply to a carrier for hire.
 - (e) Mysterious disappearance, unexplained "loss" or shortage disclosed upon taking inventory;
 - (f) Delay, loss of use, loss of market or any other consequential "loss";
 - (g) Any earth movement including earthquake, sinkhole collapse, mine subsidence, landslide, or earth sinking, rising or shifting, expansion or contraction, any other shifting of earth;
 - (h) Volcanic eruption, explosion, lava flow, or particulate matter;
 - (i) Shipments in due course of transit by mail;
 - (j) Theft from unattended vehicles of the insured except Carriers for Hire.

C. COVERAGE CONDITIONS

1. Packing

You represent and agree that the Covered Property will be packed and unpacked by packers who are trained and skilled in utilizing procedures and materials necessary to protect the Covered Property. Your failure to comply with this condition will automatically suspend your coverage.

2. Protective Safeguards

You represent and agree to maintain throughout the term of this policy, any and all protective safeguards as were represented to us to be in existence at all locations when this coverage began. Your failure to maintain the protective safeguards in working condition and in operation will automatically suspend your coverage.

3. Records

You will keep a detailed and itemized inventory of all Covered Property.

D. COVERAGE TERRITORY

We cover property located as specified on the Schedule.

COMMON POLICY CONDITIONS

A. CANCELLATION

1. The first Named Insured shown in the Schedule may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium;
or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Schedule is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public.

And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

E. PREMIUMS

The first Named Insured shown in the Schedule:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

LOSS CONDITIONS

A. ABANDONMENT

There can be no abandonment of any property to us.

B. APPRAISAL

If we and you disagree on the value of the property or the amount of "loss", either may make written demand for an appraisal of the "loss". In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of "loss". If they fail to agree, they will submit their difference to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

C. DUTIES IN THE EVENT OF LOSS

You must see that the following are done in the event of "loss" to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the "loss". Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the "loss" occurred.
4. Take all reasonable steps to protect the Covered Property from further damage. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses, for consideration in the settlement of the claim.
5. Make no statement that will assume any obligation or admit any liability, for any "loss" for which we may be liable, without our consent.
6. Permit us to inspect the property and records proving "loss".
7. If requested, permit us to question you under oath, at such times as may be reasonably required, about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed.
8. Send us a signed statement of "loss" containing the information we request to settle the claim. You must do this within 60 days after our request.
9. Promptly send us any legal papers or notices received concerning the "loss".
10. Cooperate with us in the investigation or settlement of the claim.

D. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same "loss", we will not pay more than the actual amount of the "loss".

E. LOSS PAYMENT

We will pay or make good any "loss" covered under this coverage within 30 days after:

1. We reach agreement with you;
2. The entry of final judgment; or
3. The filing of an appraisal award.

We will not be liable for any part of a "loss" that has been paid or made good by others.

F. OTHER INSURANCE

If you have other insurance covering the same "loss" as the insurance under this coverage, we will pay only the excess over that you should have received from the other insurance. We will pay the excess whether you can collect on the other insurance or not.



G. PAIR, SET OR PARTS

1. Pair or Set.

In case of an item which is part of a pair or set, the measure of "loss" shall be a reasonable and fair proportion of the total value of the pair or set, giving consideration to the importance of the item to the pair or set, but in no event shall it be considered a total loss.

2. Parts.

In case of "loss" to any part of Covered Property which consists of several parts when complete, we will pay only for the value of the part lost or damaged.

H. PRIVILEGE TO ADJUST WITH OWNER

In the event of "loss" to property of others for which a claim is made, the right to adjust such "loss" with the owner or owners of the property is reserved to us and the receipt of such owner or owners in satisfaction thereof shall be in full satisfaction of any claim of yours for which a payment has been made. If legal proceedings be taken to enforce a claim against you, we may opt to conduct and control the defense on behalf of and your name. This does not increase our liability nor increase the limits of liability specified in this policy.

I. RECOVERIES

Any recovery or salvage on a "loss" will accrue entirely to our benefit until the sum paid by us has been made up.

J. REINSTATEMENT OF LIMIT AFTER LOSS

The Limit of Insurance will not be reduced by the payment of any claim, except for total "loss" of a scheduled item, in which event we will refund the unearned premium on that item.

K. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this insurance has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "loss" to impair them.

GENERAL CONDITIONS

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This coverage is void in any case of fraud by you relating to it. It is also void if you intentionally conceal or misrepresent a material fact concerning:

1. This coverage;
2. The Covered Property; or
3. Your interest in the Covered Property.

B. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this coverage unless:

1. There has been full compliance with all the terms of the coverage;
2. The action is brought within 2 years after you first have knowledge of the "loss".

C. BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property, will benefit from this insurance.

D. POLICY PERIOD

We cover "loss" commencing during the policy period shown in the Schedule.

E. LOSS SETTLEMENT

In the event of "loss", Covered Property will be settled as follows:

1. For Total Losses, the most we will pay are the following amounts:

- (a) Your property as stated in the Schedule
- (b) The value of property on consignment will be the lowest agreed amount on the consignment agreement plus 10%;
- (c) The value of property on consignment with stated value representing selling price shall be valued at selling price less 50%;
- (d) The value of property of others in your care, custody and control, but not on consignment, will be selling price less 50%;
- (e) Property sold but not delivered, and/or while in transit to consignee's or owner's premises shall be valued at the selling price plus expenses, if any, which have accrued from the date of sale;
- (f) Works of Art jointly owned at such value as declared in agreement with co-owner(s), but protecting Named Insured's interest only;
- (g) Reference Library and Reference Material, if covered, or Furniture and Fixtures, if covered, at "replacement cost.";
- (h) Property not marked for sale, at your cost.

In the event of total "loss", you will surrender the property to us.

2 For Partial Losses, the most we will pay is the least of the following:

- (a) The cost to repair the property to its value immediately before the "loss";
- (b) The difference between the value of the property before and after the "loss"; or
- (c) The cost to restore the property as nearly as possible to its condition immediately before the "loss". If the restored value is less than the value immediately before the "loss", we will pay the difference between the restored value and the value immediately before the "loss".

The most we will pay for total or partial losses is the sum insured.

F. DEFINITIONS

"Loss" means accidental loss or damage.



“Stock” means merchandise held in storage or for sale and supplies used in their packing or shipping.

“Fine Art Mover” means a transporter who is trained and skilled in the conveyance of the Covered Property.

“Replacement Cost” means the cost, at the time of “loss”, to replace the same with material of like kind and quality, without deduction for depreciation.

In Witness Whereof, we have caused this policy to be executed and attested, and this policy shall not be valid unless countersigned by our authorized representative.