



redefining / insurance

Museum Policy – All Risks



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MUSEUM POLICY

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.

A. COVERAGE

1. Except as excluded or limited elsewhere, we insure:

- (a) **Insurable Interest**

- (1) Property owned by you;
 - (2) Property of others for which you have agreed prior to “loss” to insure;
 - (3) Property of others offered as gifts to you or for sale to you and while waiting formal acceptance by the Trustees or other authorized representatives;
 - (4) Your interest in jointly owned property, but only to the extent of your interest at the time of “loss”.

- (b) **Covered Property**

We will pay for “loss” to property consisting of objects of art or rarity or historic merit of every nature and description, and their frames, crates, cases, and packing materials.

2. **Property Not Covered**

Covered Property does not include contraband or property in the course of illegal transportation or trade.

3. **Additional Coverage: Bailee Legal Liability**

If a limit is shown in the Schedule for this coverage, the following shall apply:

- (a) This policy covers your liability as bailee of all loan properties on which you have been instructed not to insure (excluding, however, any property for which you have obtained a signed release of liability from the owner). In event of any action involving you for loss or damage to such property we will defend (to the monetary extent of your proportionate interest as bailee in this insurance) all such actions and pay a proportionate share of all legal fees, court costs or judgments commensurate with your interest as bailee.
 - (b) You shall not voluntarily assume any liability nor incur any expense nor settle any claim, except at your own cost. You shall not interfere in any negotiation for settlement or in any legal proceedings, but whenever requested and at our expense you shall aid in securing information and evidence and the attendance of witnesses, and shall cooperate with us, except in a pecuniary way, in all matters which we may deem necessary in the defense of any suit or the prosecution of any appeal.

4. **Additional Coverage: Art Reference Library**

If a limit is shown in the Schedule for this coverage, the following shall apply:

In addition to the items set forth in Covered Property, we will also pay for a “loss” of actual cash value to your art reference library, including books, catalogues and “computer media” at your premises.



5. Covered Causes of Loss

This policy insures against all risks of physical loss or damage to property insured hereunder 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 earth movement including earthquake, sinkhole collapse, mine subsidence, landslide, or earth sinking, rising or shifting, expansion or contraction, any other shifting of earth;
- (e) Volcanic eruption, explosion, lava flow, or particulate matter;
- (f) Any fraudulent, dishonest, or criminal act or acts by:
 - (i) 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
 - (ii) Anyone entrusted with the Covered Property.
But this exclusion does not apply to a carrier for hire.
- (g) Mysterious disappearance, unexplained "loss" or shortage disclosed upon taking inventory.
- (h) Under no circumstances shall this insurance contract be deemed to provide cover and no liability be incurred to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose insurers to any sanction, prohibition, or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America or Singapore.

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

It is a condition of this insurance that you shall keep a detailed and itemized inventory of all Covered Property.

D. LOSS BUY BACK

You shall have the right to repurchase from us the property that is recovered for the amount paid to you for the "loss", plus an amount which represents loss adjustment and recovery expenses.

You may repurchase damaged property belonging to you and for which a total "loss" has been paid, at the then "current market value" of the damaged property. We agree to notify you of your right to repurchase damaged or recovered property and you shall have sixty (60) days from date of notice to exercise the repurchase right.

E. COVERAGE TERRITORY

We cover property wherever located worldwide 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.

G. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 2001

A person or any entity who is not a party to this policy contract shall have no right under the contracts (rights of third parties) Act 2001 to enforce any of its terms.



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

In the event of the "loss" to any portion of the property insured hereunder, which affects the value of the remaining portion, at your option:

- (a) We agree to pay the insured value of the entire property and you agree to surrender the damaged or sound portions to us or
- (b) the measure of loss of or damage 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.

H. PRIVILEGE TO ADJUST WITH OWNER

In the event of loss of property of others (insured hereunder) held by you for loss of which claim is made upon us, the right to adjust such loss with the owner or owners of the property is reserved to us, subject, however, to prior consent by you. A receipt for payment from the owners of that property will satisfy any claim by you. If legal proceedings are taken to enforce a claim against you, we reserve the right to provide a defense, at our option, in your name. If provided, the expense of this defense will be at our cost and will not reduce the applicable limit of liability under this insurance.

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, we will pay the following amounts:

- (a) Property owned by you – We shall not be liable beyond the "current market value" of the property at the time "loss" or damage occurs. The "loss" or damage shall be ascertained or estimated according to such current market.
- (b) Property acquired or to be acquired by you as a gift or under wills or similar bequests shall be valued at "current market value" at the time "loss" or damage occurs. In no event, however, shall this policy cover beyond your interest therein and in event of "loss" of such property such interest, at time of "loss", shall be that as stipulated in the will, bequest, contract or other document executed between the Insured and the donor of said property.
- (c) Property of others on loan to you, and which you have been instructed to insure or for which you may be liable, shall be valued at amounts agreed upon by you and owners, or otherwise we shall not be liable beyond the "current market value" of the property at the time "loss" or damage occurs and in no event for an amount in excess of that specified in the policy.

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

2. For Partial Losses, we agree to pay you an amount mutually agreed upon based on the following:

- (a) The cost to repair the property to its value immediately before the "loss"; or
- (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.

"Computer Media" means magnetic tapes, discs, or other storage devices, including the information recorded on them.

“Current Market Value” means the amount, at the time of the loss, that it would cost to replace a property with another of similar age, quality, origin, appearance and condition within a reasonable length of time in an appropriate and relevant market.

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.