



# INSURANCE BINDER

OP ID: SD

DATE (MM/DD/YYYY)

05/15/2013

**THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON THE REVERSE SIDE OF THIS FORM.**

AGENCY <b>G.A. Mavon &amp; Company</b> 10 West Chicago Avenue Hinsdale, IL 60521		COMPANY <b>Penn-America Group, Inc.</b>		BINDER # <b>10506</b>	
PHONE (A/C, No, Ext): <b>630-655-2400</b>		FAX (A/C, No): <b>630-654-4447</b>		THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY #:	
CODE:		SUB CODE:		DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (Including Location)	
AGENCY CUSTOMER ID: <b>EDSDJ-1</b>		INSURED <b>Ed's DJ Service</b> 11 Idlewood Street Glen Burnie MD 21061		<b>Association of Professional Entertainers</b> WEDJ Member/PAC6970218	
DATE		EFFECTIVE TIME		EXPIRATION TIME	
<b>05/16/13</b>		<b>12:01</b>		<b>05/16/14</b>	
		<input checked="" type="checkbox"/> AM <input type="checkbox"/> PM		<input checked="" type="checkbox"/> 12:01 AM <input type="checkbox"/> NOON	

**COVERAGES****LIMITS**

TYPE OF INSURANCE	COVERAGE/FORMS	DEDUCTIBLE	COINS %	AMOUNT
PROPERTY CAUSES OF LOSS <input type="checkbox"/> BASIC <input type="checkbox"/> BROAD <input type="checkbox"/> SPEC <input checked="" type="checkbox"/> <b>Inland Marine</b>	<b>property damage ded</b> <b>theft ded</b>	<b>250</b> <b>750</b>	---	<b>15,000</b>
GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR \$ <input checked="" type="checkbox"/> <b>\$250 property damage ded</b>	RETRO DATE FOR CLAIMS MADE:	EACH OCCURRENCE	\$	<b>1000000</b>
		DAMAGE TO RENTED PREMISES	\$	<b>50000</b>
		MED EXP (Any one person)	\$	<b>5000</b>
		PERSONAL & ADV INJURY	\$	<b>1000000</b>
		GENERAL AGGREGATE	\$	<b>2000000</b>
		PRODUCTS - COMP/OP AGG	\$	<b>2000000</b>
AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		COMBINED SINGLE LIMIT	\$	
		BODILY INJURY (Per person)	\$	
		BODILY INJURY (Per accident)	\$	
		PROPERTY DAMAGE	\$	
		MEDICAL PAYMENTS	\$	
		PERSONAL INJURY PROT	\$	
		UNINSURED MOTORIST	\$	
			\$	
AUTO PHYSICAL DAMAGE DEDUCTIBLE <input type="checkbox"/> COLLISION: _____ <input type="checkbox"/> OTHER THAN COL: _____	<input type="checkbox"/> ALL VEHICLES <input type="checkbox"/> SCHEDULED VEHICLES	ACTUAL CASH VALUE		
		STATED AMOUNT	\$	
		OTHER		
GARAGE LIABILITY <input type="checkbox"/> ANY AUTO		AUTO ONLY - EA ACCIDENT	\$	
		OTHER THAN AUTO ONLY:		
		EACH ACCIDENT	\$	
		AGGREGATE	\$	
EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	RETRO DATE FOR CLAIMS MADE:	EACH OCCURRENCE	\$	
		AGGREGATE	\$	
		SELF-INSURED RETENTION	\$	
WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY		WC STATUTORY LIMITS		
		E.L. EACH ACCIDENT	\$	
		E.L. DISEASE - EA EMPLOYEE	\$	
		E.L. DISEASE - POLICY LIMIT	\$	
<b>This policy is paid in full and cannot be cancelled during the policy term.</b>		FEES	\$	
SPECIAL CONDITIONS/ OTHER COVERAGES		TAXES	\$	
		ESTIMATED TOTAL PREMIUM	\$	

**NAME & ADDRESS**

All venues and/or clients of the Named Insured are added as Additional Insureds for the policy term shown.	MORTGAGEE	<input checked="" type="checkbox"/>	ADDITIONAL INSURED
	LOSS PAYEE	<input type="checkbox"/>	
	LOAN #		
AUTHORIZED REPRESENTATIVE 			



## COMMERCIAL INLAND MARINE CONDITIONS

### GENERAL EXCLUSIONS

We do not cover loss resulting directly or indirectly from:

1. War, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.
2. Nuclear Hazard meaning any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
  - a) Loss caused by the nuclear hazard shall not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against and Limitations.
  - b) This policy does not apply to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

### 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 there is 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, sworn statement of "loss" containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
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 Coverage Part'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 Part 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 part, we will pay only the excess over what 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, SETS OF PARTS**

1. Pair or Set. In case of "loss" to any part of a pair or set we may:
  - a. Repair or replace any part to restore the pair or set to its value before the "loss"; or
  - b. Pay the difference between the value of the pair or set before and after the "loss."
2. Parts. In case of "loss" to any part of Covered Property consisting of several parts when complete, we will pay only for the value of the lost or damaged part.

**H. PRIVILEGE TO ADJUST WITH OWNER**

In the event of "loss" involving property of others in your care, custody or control, we have the right to:

1. Settle the "loss" with the owners of the property. A receipt for payment from the owners of that property will satisfy any claim of yours.
2. Provide a defense for legal proceedings brought against you. If provided, the expense of this defense will be at our cost and will not reduce the applicable Limit of Insurance 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.

If any act or agreement of yours before or after loss impairs your right to recover from others, we will not

cover the loss, nor will we cover any loss which you settle or compromise without our written consent.

**GENERAL CONDITIONS****A. CONCEALMENT, MISREPRESENTATION OR FRAUD**

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

**B. LEGAL ACTION AGAINST US**

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

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

**C. NO 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 Declarations.

**E. VALUATION**

The value of property will be the least of the following amounts:

1. The actual cash value of that property;
2. The cost of reasonably restoring that property to its condition immediately before "loss"; or
3. The cost of replacing that property with substantially identical property.

In the event of "loss" the value of property will be determined as of the time of "loss."

**F. LIBERALIZATION**

If we adopt any revision which would broaden the coverage under this Coverage Part without additional premium within 60 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

**G. SUBSTITUTION OF TERMS**

In any Inland Marine Coverage Forms attached, wherever the word "policy" appears in the Insuring Agreement, Exclusions, Conditions or Definitions, the term "Coverage Part" is substituted.

## COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms: 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 differences 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 there is 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 or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
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 or damage, we will not pay more than the actual amount of the loss or damage.

### E. Loss Payment

1. 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 may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:
  - a. We have reached agreement with you on the amount of the loss; or
  - b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.

#### **F. Other Insurance**

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

#### **G. Pair, Sets Or Parts**

##### **1. Pair Or Set**

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

##### **2. Parts**

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

#### **H. Recovered Property**

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

#### **I. Reinstatement Of Limit After Loss**

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

#### **J. Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance; or
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you.

This will not restrict your insurance.

#### **GENERAL CONDITIONS**

##### **A. Concealment, Misrepresentation Or Fraud**

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

**B. Control Of Property**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

**C. Legal Action Against Us**

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

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

**D. No Benefit To Bailee**

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

**E. Policy Period**

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

**F. Valuation**

The value of property will be the least of the following amounts:

1. The actual cash value of that property;
2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES**

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 CRIME AND FIDELITY COVERAGE PART  
 STANDARD PROPERTY POLICY

**A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.

**1.** The failure, malfunction or inadequacy of:

**a.** Any of the following, whether belonging to any insured or to others:

- (1)** Computer hardware, including microprocessors;
- (2)** Computer application software;
- (3)** Computer operating systems and related software;
- (4)** Computer networks;
- (5)** Microprocessors (computer chips) not part of any computer system; or
- (6)** Any other computerized or electronic equipment or components; or

**b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

**2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.

**B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:

**1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or

**2.** Under the Commercial Property Coverage Part:

**a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss - Special Form; or

**b.** In a Covered Cause of Loss under the Causes Of Loss - Basic Form or the Causes Of Loss - Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.

**C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.



## LOCKED VEHICLE CONDITIONAL EXCLUSION

This endorsement modifies insurance provided under the policy.

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

All other terms and conditions of this policy remain unchanged.

**1. COVERAGE**

We will pay for loss to covered Property from any of the Covered Causes of Loss.

**A. Covered Property means:**

- (1) Property separately described in the Schedule for which a Limit of Insurance is shown; and
- (2) Unscheduled property for which a limit is shown under Unscheduled Miscellaneous Property, not exceeding \$500 on any one item.

**B. Property Not Covered**

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

**C. Covered Causes of Loss**

Covered Causes of Loss means risks of direct physical loss to Covered Property except those causes of loss listed in the Exclusions.

**2. EXCLUSIONS**

- A.** 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 that contributes concurrently or in any sequence to the loss.

**(1) Earth Movement**

- a.** Any earth movement (other than sinkhole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if loss or damage by fire or explosion results, we will pay for the resulting loss or damage.
- b.** Volcanic eruption, explosion or effusion. But if loss or damage by fire, building glass breakage or volcanic action results, we will pay for that resulting loss or damage.

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

- i.** Airborne volcanic blast or airborne shock waves;
- ii.** Ash, dust or particulate matter; or
- iii.** Lava Flow.

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

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

**(2) Water**

- a.** Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- b.** Mudslide or mudflow;
- c.** Water that backs up from a sewer or drain, or
- d.** Water under the ground surface pressing on, or flowing or seeping through:
  - i.** Foundations, walls, floors or paved surfaces;
  - ii.** Basements, whether paved or not; or
  - iii.** Doors, windows or other openings.

But if loss or damage by fire, explosion or sprinkler leakage results, we will pay for that resulting loss or damage.

### **(3) Governmental Action**

Seizure or destruction of property by order of governmental authority.

But 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 form.

#### **B. We will not pay for a loss caused by or resulting from any of the following:**

- (1)** Delay, loss of use, loss of market, gradual deterioration, wear and tear, faulty design, obsolescence, rust or inherent vice.
- (2)** Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by an fraudulent scheme, trick, device or false pretense.
- (3)** Unauthorized instructions to transfer property to any person or to any place.
- (4)** Dishonest acts by you, anyone else with an interest in the property, your or their employee or authorized representative or anyone entrusted with the property, whether or not acting alone or in collusion with other persons or occurring during the hours of employment, but this exclusion does not apply to a carrier for hire.

#### **C. We will not pay for a loss caused by or resulting from any of the following. But if loss by a Covered Cause of Loss results, we will pay for that resulting loss.**

- (1)** Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 2.A. above to produce the loss.
- (2)** Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- (3)** Faulty, inadequate or defective:
  - a.** Planning, zoning, development, surveying, siting;
  - b.** Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
  - c.** Materials used in repair, construction, renovation or remodeling; or
  - d.** Maintenance;

of part or all of any property wherever located.

### **3. LIMITS OF INSURANCE**

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Schedule.

### **4. DEDUCTIBLE**

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

### **5. ADDITIONAL CONDITIONS**

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

- A.** This form insures only while the property is at location within, or is in transit between, the continental United States, (Alaska and Hawaii while on land), the District of Columbia, and Canada, but subject always to the limitations, conditions, exclusions and exceptions stated herein.

**B. Coinsurance**

Each item of Covered Property separately described in the Schedule must be insured for at least 80% of its total value as of the time of loss or you will incur a penalty.

All Covered Property not separately described must be insured for 100% its total value as of the time of loss or you will incur a penalty.

The penalty is that we will pay only the proportion of any loss that the Limit of Insurance shown in the Schedule for the Covered Property bears to 80%, or 100% as required, of total value as of the time of loss.

**C. Additional Acquired Property**

If during the policy period you acquire additional property of a type already covered by this form, we will cover that property for up to 30 days. The most we will pay in a loss to that property is the lesser of:

(1) 25% of the total Limit of Insurance shown in the Schedule for that type of property; or

(2) \$10,000.

You will report such property within 30 days from the date acquired and will pay any additional premium due. If you do not report such property, coverage will cease automatically 30 days after the property is acquired.

**6. DEFINITION**

Loss means accidental loss or damage.