

INSTALLATION RISK POLICY

REPRESENTATIONS

By accepting this policy **you** agree that:

1. the statements on the Declarations Page are accurate and complete;

2. those statements are based upon representations **you** made to **us**;
 3. **we** have issued this policy in reliance upon **your** representations.
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AGREEMENT

We will provide the insurance described in this policy in return for the premium and **your**

compliance with all provisions of this policy including endorsements.

DEFINITIONS

Words in bold print are defined herein.

1. In this policy **you** and **your** refer to the named insured shown on the Declarations Page. **We**, **us** and **our** refer to the Company providing this insurance.
2. **Accident** means an undesigned, unexpected and rapidly occurring event.
3. **Pollutants** means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids,

alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

4. **Volcanic action** means lava flow, air borne shock waves, ash, dust or other particulate matter caused by or resulting from volcanic eruption.
 5. **Covered installation project** means a specific task **you** have agreed to perform for compensation pursuant to the terms of a contract.
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LIMIT OF INSURANCE

Regardless of the number of persons insured under this policy, the most **we** will pay for any

one loss is the applicable limit of insurance shown on the Declarations Page.

PROPERTY COVERED

We cover personal property which **you** own and which is intended to become a permanent part of a structure or other installation that is the subject of contract **you** have entered into while

that property is situated at the site of a **covered installation project** awaiting installation and during installation.

LOSSES COVERED

Subject to the terms, conditions and limitations of this policy, **we** insure **you** against financial loss resulting from direct physical loss of or

damage to covered property caused by an **accident**.

DEDUCTIBLE

Subject to the applicable limit of insurance, **we** will pay no more than the amount by which any

loss exceeds the deductible amount shown on the Declarations Page.

ADDITIONAL COVERAGES

1. When an **accident** causes direct physical loss of or damage to **your** property at the location of a **covered installation project**, **we** provide the following additional amounts of coverage. The limit of insurance shown for each category of coverage below is the total limit for each covered loss as a result of any one **accident** unless a larger amount is shown on the Declarations Page. The coverages provided are subject to all other conditions of this policy:
 - a. Debris Removal
\$15,000 for cost necessarily incurred for the removal of debris of covered property.
 - b. Construction Forms, Falsework and Temporary Structures
\$15,000 in the aggregate for construction forms, falsework and temporary structures which are not reusable.
 - c. Expediting Expense
\$15,000 for extra expenses necessarily incurred to complete the installation by the date agreed to in writing and thereby avoid having to pay delay of completion penalties for which **you** would be liable by reason of the written contract. This coverage extension applies only to the extent that savings are actually realized.
2. When an **accident** causes direct physical loss of or damage to personal property which **you** own and is intend to become a permanent part of a **covered installation project**, **we** provide the following additional amounts of coverage. The limit of insurance shown for each category of coverage below is total limit for each covered loss as a result of any one **accident**. The coverages provide are subject to all other conditions of this policy:
 - a. Property at a temporary storage location away from any installation site.
100% of the limit of insurance shown on the Declarations Page for Any One Installation Site subject to a maximum of \$250,000.
 - b. Property in transit.
100% of the limit of insurance shown on the Declaration Page for Any One Installation Site subject to a maximum of \$250,000.
3. When an **accident** causes direct physical loss of or damage to **your** construction forms, falsework or temporary structures which are not reusable and which are intended to be used at a location of a **covered installation project**, **we** cover up to \$15,000 for such construction forms, falsework or temporary structures while they are in transit. The coverage provided is subject to all other conditions of this policy.

BASIS OF LOSS PAYMENT

Subject to the LIMIT OF INSURANCE section and subject to all other terms and conditions of this policy the amount **we** will pay is calculated as follows:

1. **Your** Personal Property To Be Installed

Payment shall be limited to loss of actual cash value at the time and place of loss, but not exceeding the smaller of the following:

- a. the amount which it would cost to repair or replace the lost or damaged property with material of like kind, quality and use at the place of and within a reasonable time after **accident**; or
- b. the contract price of the installation.

2. Construction Forms, Falsework and Temporary Structures

- a. If lost or damaged construction forms, falsework or temporary structures are not repaired or replaced, **we** will not make any payment.
- b. If lost or damaged construction forms, falsework or temporary structures are repaired or replaced payment shall be limited to the amount actually and necessarily expended within ninety (90) days of the date of the **accident** to repair or replace the lost or damaged construction forms, falsework or temporary structures with property of like kind, quality and use as the lost or damaged property.

BASIS OF LOSS PAYMENT (Continued)

3. Expediting Expense

We will pay sums necessarily spent to expedite repair or replacement of lost or damaged property to complete a **covered**

installation project in accordance with contract provisions but not exceeding the amount by which any delay of completion penalties as stipulated in a written contract are reduced.

PROPERTY NOT COVERED

We do not cover:

1. Building materials and fixtures once they are attached to a building structure.
2. Property that has become a part of an installation which commenced prior to the inception date of this policy unless this policy is a renewal policy.
3. Property while waterborne, except while in transit on land conveyances on board a regular ferry, barge or carfloat operating on inland waterways and then **we** shall be liable only for ensuing loss of or damage directly

caused by the stranding, sinking or collision of the ferry, barge or carfloat. **We** will pay for loss or damage caused by fire.

4. Property while situated on the premises of manufactures or suppliers. This does not apply to property awaiting installation by **you** at the premises of such manufactures or suppliers.
5. Property while situated at premises owned, leased or controlled by **you** unless the property is intended to become an integral and permanent part of a **covered installation project**.

LOSSES NOT COVERED

1. **We** do not insure **you** against loss of or damage to covered property resulting from or caused, directly or indirectly, proximately or remotely, by any of the following. Such loss or damage is not covered regardless of any **accident** that contributes concurrently or in any sequence to such loss or damage:
 - a. earthquake and other earth movement including volcanic eruption, landslide, mudflow and earth sinking, rising or shifting unless fire, explosion or **volcanic action** ensues and then **we** will be liable only for the ensuing direct damage from the fire, explosion or **volcanic action**. This exclusion does not apply to covered property while in transit;
 - b. flood, surface water, water blow the surface of the ground, water which backs up through sewers or drains, waves and tidal water unless fire or explosion ensues and then **we** will be liable only for ensuing direct damage from the fire or explosion. This exclusion does not apply to covered property while in transit;
 - c. electrical injury, other than damage from lightning, to electrical devices unless fire or explosion ensues and then **we** will be

liable only for the ensuing direct damage from the fire or explosion;

- d. theft by **you**, **your** employees or, with the exception of carriers for hire, by anyone to whom covered property is entrusted. En ensuing loss by fire or explosion resulting from theft by **your** employees or anyone to whom covered property is entrusted is covered;
- e. pollution caused by or resulting from the presence of or the release, discharge, escape, dispersal, seepage or migration of **pollutants** unless the presence, release, discharge, escape, dispersal, seepage or migration is caused by or result from fire, lighting, explosion, windstorm, hail, aircraft, riot or civil commotion, vandalism or malicious mischief, sprinkler leakage, falling objects, volcanic eruption or weight of snow, sleet or ice;
- f. error in design, plans or specifications; faulty or defective workmanship or materials; or mechanical breakdown. If loss from fire or explosion ensues, **we** will pay for the ensuing loss. **We** will not, however, pay for the cost to correct the condition which causes such ensuing loss;

LOSSES NOT COVERED (Continued)

- g. explosion, rupture, bursting or disintegration of steam boilers, steam pipes, steam turbines or steam engines unless fire ensues and then **we** will be liable only for the ensuing direct damage from the fire. **We** will pay for loss or damage to other covered property which is caused by such explosion, rupture, bursting or disintegration of steam boilers, steam pipes, steam turbines or steam engines;
 - h. rain, hail, sleet, ice, snow, sand or dust to covered property in the open unless fire or explosion ensues and then **we** will be liable only for ensuing direct damage from the fire or explosion;
 - i. nuclear reaction or radiation, or radioactive contamination all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing. Direct loss by fire resulting from nuclear reaction or radiation or radioactive contamination is covered;
 - j. hostile or warlike action in time of peace or war, insurrection, rebellion, revolution, civil war, usurped power, or action taken in hindering, combating, or defending against such an occurrence or against actual, impending, or expected attack (1) by any government or sovereign power (de jure or de facto) or by any authority maintaining or using military or naval or air forces; or (2) by military or naval or air forces; or (3) by an agent of any such government, power, authority, or forces, it being understood that any discharge, explosion or use of any weapon of war employing nuclear fission or fusion shall be conclusively presumed to be such a hostile or warlike action by such government, power, authority or forces.
2. In addition, **we** do not insure **you** against any of the following losses, however caused:
 - a. delay, penalties of any kind, loss of use, loss of market, loss of business income or other consequential loss except as provided for in item 1.c. of the ADDITIONAL COVERAGES Section;
 - b. wear and tear, deterioration, rust, corrosion, inherent vice, latent or patent defect unless fire or explosion ensues and then **we** will be liable only for the ensuing direct damage from the fire or explosion;
 - c. sums **you** are required to pay because of any warranty or guarantee, whether expressed or implied, by **you** or by any contractor, manufacturer or supplier;
 - d. increases in covered loss made necessary by any ordinance or law;
 - e. shortage disclosed on taking inventory or unexplained or mysterious disappearance of covered property, except covered property in the custody of carrier for hire;
 - f. loss or damage which occurs during testing unless fire ensues and then **we** will be liable only for the ensuing damage from the fire.

TERMINATION OF COVERAGE

Coverage shall not extend beyond whichever of the following occurs first:

1. the date **your** interest in the property ceases; or
2. the date **you** have completed the **covered installation project** and it is accepted by

the party **you** have contracted with; or

3. the date the property is put to its intended use; or
4. the date the policy expires, is cancelled or non-renewed.

YOUR DUTIES FOLLOWING A LOSS

1. **You** shall at **your** expense:
 - a. give **us** written notice of any loss as soon as practicable;
 - b. file with **us** a detailed sworn statement of loss within ninety (90) days after the loss, unless this time is extended by **us**

in writing, setting forth to the best of **your** knowledge and belief:

- (1) the time and cause of loss;
- (2) **your** interest and that of all others in the property involved;

YOUR DUTIES FOLLOWING A LOSS (Continued)

- (3) other policies of insurance that may cover the loss;
 - (4) changes in title of the property during the term of this policy;
 - (5) details of the damage to all covered property, an inventory of damaged covered property, the actual cash value of the damaged covered property, detailed estimates for repair of the damage and the amount **you** claim under this policy;
 - (6) the amount claimed for expediting expense accompanied by all exhibits necessary to support that amount;
- c. do all things and produce all documents reasonably required to establish values, loss and damage and coverage for the loss.
2. **You** shall at **our** expense submit and subscribe to examinations under oath by any person named by **us**.

MANDATORY ARBITRATION

In case **we** fail to agree with **you** as to the meaning of any provision of this policy, or as to the amount payable in accordance with the express terms of this policy for any covered loss, the disagreement shall be resolved by binding arbitration in accordance with the statutory rules and procedures of the state in which the property is located. Should an arbitration under the terms of this clause result in any of the following, **we** shall reimburse **you** for expenses actually incurred by **you** with respect to the arbitration, including reasonable attorney's fees, in a sum to be determined by the arbitrator(s):

1. a finding of coverage for claimed loss or damage for which coverage is denied by **us**;
2. a finding that **you** are entitled to a loss payment in accordance with the express terms of this policy and exclusive of costs or attorney's fees in an amount that exceeds the amount of any offer made by **us** in writing to settle **your** claim at any time up to thirty (30) days prior to the commencement of the arbitration hearing.

The provisions of this clause are mandatory and may be enforced either by **you** or by **us**.

COVERAGE TERRITORY

Coverage applies only to covered property which is located within the continental United

States of America and Canada.

COMPANY'S OPTION

It shall be **our** option to take all, or any part, of the property at the agreed or appraised value or to repair or replace the property with other property of like kind, quality and use within a

reasonable time provided **we** give notice of **our** intention to do so within thirty (30) days after receipt of the required statement of loss.

TIME LIMITATION FOR ACTION

No suit, demand for arbitration or other action on this policy for the recovery of any claim shall be sustainable in any court or other forum unless all the requirements of this policy shall have been

complied with and unless commenced within twelve (12) months after the inception of the loss.

PROPERTY OF OTHERS

At **our** option **we** may adjust losses with the owner of the property. Any payment made by **us** shall be limited to the owner's financial interest in the lost or damaged property and shall satisfy **your** claim against **us**. If legal proceedings are taken to enforce a claim against **you** for any

such loss or damage, **we** reserve the right to conduct and control the defense on **your** behalf. No action by **us** in such regard shall increase **our** liability under this policy nor increase the limits specified in this policy.

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 (3) years

after the cancellation or expiration of this policy whichever is first.

WHEN LOSS IS PAYABLE

The amount for which **we** are liable will be payable within thirty (30) days after the required statement of loss is received and agreed to in

writing by **us** or an arbitration award is received by **us**.

TIME OF LOSS

This policy applies only to losses which occur during the policy period shown on the

Declaration Page.

CONCEALMENT, MISREPRESENTATION OR FRAUD

This policy shall be void if any insured, whether before or after a loss, has intentionally concealed or misrepresented any material fact

or circumstance or made false statements or engaged in fraudulent conduct relating to this insurance.

WAIVER OR CHANGE OF POLICY CONDITIONS

This policy contains all the agreements between **you** and **us** concerning this insurance. A waiver

or change of any provision of this policy must be writing by **us** to be valid.

CANCELLATION AND NON-RENEWAL

1. **You** may cancel this policy at any time by returning to **us** or by notifying **us** in writing of the date cancellation is to take effect.
2. **We** may:
 - a. cancel this policy for non-payment of premium by giving **you** fifteen (15) days written notice; or
 - b. non-renew this policy for any reason by giving **you** at least sixty (60) days, but not more than one hundred twenty (120) days, written notice to be effective at the next anniversary or expiration date of the policy whichever is first.

We will also mail such notice of cancellation or non-renewal to each mortgagee or other person or entity shown on this policy to have an insurable interest in the covered property.

We will state the reason for cancellation or non-renewal on the written notice.

3. **We** are not required to send notice of non-renewal if:
 - a. the policy has been extended for ninety (90) days or less provide that written notice of non-renewal has been given at least sixty (60) days, but not more than

one hundred twenty (120) days, before the expiration date of the policy after it was extended;

- b. **you** have obtained replacement coverage or if **you** have agreed in writing within sixty (60) days of the expiration date of this policy to obtain replacement coverage;
- c. the policy is for a period of sixty (60) days or less and **you** are notified at the time of issuance of the policy that it will not be renewed;
- d. **you** request a change in terms, conditions or coverage within sixty (60) days of the expiration date of the policy;
- e. **we** have made **you** a written offer to renew the policy under changed terms or conditions or at an increase in premium in excess of twenty five (25) per cent. Such offer must be made at least sixty (60) days, but not more than one hundred twenty (120) days, before the expiration date of the policy.

Any pro-rata premium due **you** will be refunded within a reasonable time after the cancellation takes effect.

OTHER INSURANCE

We will not pay a greater portion of any loss than the limit of insurance for the loss under this policy bears to the total of the limits of insurance for the loss under all policies which cover the

loss or which would cover the loss but for the existence of this policy, except insurance written specifically to cover as excess over the limits of insurance that apply in this policy.

RECOVERY FROM THIRD PARTIES

1. **You** may waive **your** rights of recovery against any party in writing before an **accident**.
2. Within ninety (90) days after an **accident**, **you** may waive **your** rights of recovery against any party who at the time of the **accident**:
 - a. is show on the Declaration Page;
 - b. is **your** tenant;

- c. owns a controlling financial interest in **your** business or in whose business **you** own a controlling financial interest;
- d. is a party with whom **you** have entered into a contract which is subject to coverage provided for by this policy.

Subject to above **we** may require an assignment **your** of rights of recovery against any party for loss to the extent that payment for that loss is made by **us**.

SALVAGE AND RECOVERY

You are entitled to complete reimbursement for loss before **we** are entitled to any proceeds from any recovery from third parties or salvage

recovery. **We** and **you** shall share recovery expenses incurred by **us** to the extent of **our** proportionate interest.

NO BENEFIT TO BAILEE

This insurance shall not directly or indirectly

benefit any carrier or other bailee.