



CITY OF SACRAMENTO

DEPARTMENT OF COMMUNITY SERVICES  
3520 FIFTH AVENUE SACRAMENTO, CALIFORNIA 95817  
TELEPHONE (916) 449-5200

CROCKER ART MUSEUM DIVISION  
GOLF DIVISION  
METROPOLITAN ARTS DIVISION  
MUSEUM AND HISTORY DIVISION  
RECREATION DIVISION  
PARKS DIVISION  
ZOO DIVISION

ROBERT P. THOMAS  
DIRECTOR

CITY MANAGER'S OFFICE  
**RECEIVED**  
SEP 7 1982

**APPROVED**  
BY THE CITY COUNCIL

SEP 14 1982

OFFICE OF THE  
CITY CLERK

September 14, 1982

City Council  
Sacramento, California

Honorable Members in Session:

SUBJECT: Fine Arts Insurance Premium for Crocker Art Museum Division,  
Fiscal Year 1982-83

SUMMARY

At this time, insurance for works of fine art owned by the Crocker Art Museum and for works on loan to the Museum is carried separately from other City insurance, due to the specialized nature of the coverage. This report recommends the expenditure of \$11,000 for the annual premium for this insurance. This amount was included in the approved FY 1982-83 budget for the Crocker Art Museum Division.

BACKGROUND INFORMATION

For the past twelve (12) years, insurance of works of art for the Crocker Art Museum Division has been carried in a separate policy, with provisions and coverage as outlined on Exhibit A. Since 1975, vendor for the fine arts policy has been Fred S. James & Co. The vendor was selected after invited fine arts insurance brokers submitted proposals for rates and services. We are recommending continuation of the services of the current broker for FY 1982-83.

Currently, professional appraisal of the collections is underway, to determine updated values of the works of art. At the conclusion of the appraisal, this Department will be consulting with Risk Management Division to determine if such coverage can in the future be intergrated into the City's total insurance package. The Department will report to Council concerning the results of this study.

FINANCIAL DATA

The amount of \$11,000 represents a savings of \$193.60 over FY 1981-82, due to a change in underwriters with no change in coverage of the collection.

RECOMMENDATION

It is recommended that the City Council authorize the City Manager to execute a fine arts insurance policy for the Crocker Art Museum collection in the amount of \$11,000.

Respectfully submitted,



ROBERT P. THOMAS  
Director of Community Services

Recommendation Approved:

  
WALTER J. SLIPE  
City Manager

Attachment: Exhibit A

September 14, 1982  
All Districts

**RESOLUTION NO. 82-639**

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

**RESOLUTION APPROVING PREMIUM FOR FINE ARTS  
INSURANCE FOR CROCKER ART MUSEUM COLLECTIONS**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

- 1. That the sum of eleven thousand dollars (\$11,000) be expended for the annual premium for insurance coverage of the collection of fine arts owned by and on loan to the Crocker Art Museum as set forth in Exhibit A, attached hereto and incorporated herein by reference.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

**APPROVED**  
BY THE CITY COUNCIL  
**SEP 14**  
OFFICE OF THE  
CITY CLERK

**James**

MUSEUM  
INSURANCE CERTIFICATE NO. MIC-3-101

INSUREDS

CITY OF SACRAMENTO

CROCKER ART MUSEUM

216 O STREET  
SACRAMENTO, CALIFORNIA 95814

AS INTERESTS APPEAR

HEREIN CALLED THE INSURED  
FOR ACCOUNT OF WHOM IT MAY CONCERN

TERM

FROM: JULY 1, 1982  
TO: UNTIL CANCELLED

AT 12:01 A.M. PACIFIC STANDARD TIME

LOSS PAYABLE CLAUSE

LOSS, IF ANY, SHALL BE ADJUSTED WITH  
AND  
PAYABLE TO THE NAMED INSUREDS OR ORDER

FRED. S. JAMES & CO.  
3435 WILSHIRE BOULEVARD  
LOS ANGELES, CALIFORNIA 90010  
TELEPHONE (213) 385-1678

BY   
CARL G. ALLEN

THIS IS TO CERTIFY that on behalf of the Insured(s) named herein, we have effected with Underwriters as set forth in paragraph 24, page 13 hereof, whose underlying Policies will be delivered to the Insured(s) in due course, Insurance according to the following terms and conditions.

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ENDORSEMENTS	

1. LIMITS OF LIABILITY (AMOUNTS OF COVERAGE), SUBJECTS INSURED

Limits of Liability (Amounts of Coverage)

Underwriters shall be liable for the following amounts of coverage hereunder:

Section A. - Domestic Locations, Domestic Transits up to \$1,000,000 per Conveyance

- 1. \$ 4,000,000. at the Insured's premises, 216 O Street, Sacramento, California 95814;
- 2. \$ 2,000,000. at any other domestic location;
- 3. \$ 1,000,000. per conveyance while in due course of domestic transit;
- 4. \$ 4,000,000. in any one loss or disaster, in case of either partial or total loss, or salvage charges, or any other costs or expenses, or all combined.

Section B. - Domestic Transits Over \$1,000,000 per Conveyance

- 1. \$ 4,000,000. per conveyance while in due course of domestic transit.

Section C. - Foreign Transits Not Overseas, Foreign Locations

- 1. \$ 5,000,000. per conveyance while in due course of foreign transit not overseas;
- 2. \$ 5,000,000. at any foreign location;
- 3. \$ 5,000,000. in any one loss or disaster, in case of either partial or total loss, or salvage charges, or any other costs or expenses, or all combined.

Section D. - Overseas Transits

- 1. \$ 5,000,000. per conveyance in due course of overseas transit.

NOTE: The amounts of coverage under Sections A, B, C and D are not additive. Underwriters' liability for all coverages provided by this Insurance under Sections A, B, C and D in any one loss or disaster, in case of either partial or total loss, or salvage charges, or any other costs or expenses, or all combined, shall not exceed \$5,000,000.

Section E. - Excess Insurance

- 1. **DELETED** excess of

Subjects Insured

Except as excluded in Paragraph 5 below, this Insurance covers the Insured's:

- Permanent Collection (objects owned by the Insured);
- Loan Collection (objects owned by others);
- Legal Liability (see paragraph 9, page 5);
- (See Definitions of "Permanent Collection", "Loan Collection" paragraph 21, page 10);
- Special Exhibitions organized by the Insured while at the Insured's premises, in transit, and at other approved locations.

2. PREMIUMS, RECORD-KEEPING, REPORTS AND NOTICES

This Insurance is issued in consideration of premiums earned and paid as follows:

Section A. - Domestic Locations, Domestic Transits up to \$1,000,000 per Conveyance

A flat annual premium of \$11,000.00 payable as of inception for the first policy year, thereafter as determined on each anniversary for each ensuing policy year.

Section B. - Domestic Transits Over \$1,000,000 per Conveyance

Held covered at premiums earned at the following rates:

	<u>Normal Rate</u>	<u>Additional Rate For Breakage (Fragiles* Only)</u>
1. Per \$100 of values of covered property shipped in domestic transit over \$1,000,000 per conveyance	\$.03	\$.0

Section C. - Foreign Transits Not Overseas, Foreign Locations

1. Per \$100 of values of covered property shipped in foreign transit not overseas	\$.03	\$.09
2. Per \$100 pro rata of monthly average values of covered property at any foreign location	\$.02	\$.02

Section D. - Overseas Transits

1. Per \$100 of values of covered property shipped in overseas transit, including the risks of war, strikes, riots, civil commotions and malicious damage	\$.13	\$.37
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\* - Fragiles are insured against breakage if separately reported. "Fragile" objects include objects made of ceramics, china, glass, marble, plaster, plastics, porcelain, stone, terracotta and similar materials.

~~Section E. Excess Insurance~~

Record-keeping, Reports and Notices

The Insureds hereunder agree to keep accurate records of the property insured hereunder, to pay premiums as billed, and to report to Underwriters not later than the 15th day after each month:

- A. For property insured under Section A.: - No Reports required.
- B. For property insured under Section B.:
  - 1. The total values over \$1,000,000 per conveyance shipped each month in domestic transit.
- C. For property insured under Section C.:
  - 1. The total values shipped each month in foreign transit not overseas;
  - 2. The monthly average of daily values of insured property at any foreign location.
- D. For property insured under Section D.:
  - 1. The total values shipped each month in overseas transit.

Written notice to Underwriters shall be deemed to occur when such notice is received for Underwriters by William B. Allen, Fred. S. James & Co., 3435 Wilshire Boulevard, Los Angeles, California 90010, Telephone (213) 385-1678.

3. DEDUCTIBLES

Each claim for loss or damage separately occurring shall be adjusted separately and from the amount of such separately adjusted claim there shall be deducted:

- A. For objects of the Permanent Collection located on the Insureds' premises, the sum of \$1,000.00.
- B. For objects of the Permanent Collection at any location other than the Insureds' premises, and for objects of the Loan Collection, the sum of \$ 0.00.



4. PROPERTY COVERED

Except as excluded in Paragraph 5 below, this Insurance covers:

- A. Objects of art of every kind and description, the property of the Insured, the property of others and property in which the Insured shall have a fractional ownership interest, which are owned by, or have been leased, loaned, rented or otherwise made available to, the Insured. "Property" shall mean paintings, drawings, prints, rare books, manuscripts, rugs, tapestries, furniture, statuary and all other bonafide works of art and other objects of rarity, historic value, cultural interest or artistic merit, which are part of the collections of the insured, or in the care, custody or control of the Insured, and their frames, glazing and shadow boxes.
- B. Objects of art, and property incidental thereto, the property of the Insured, or of others for which the Insured may be liable and while such property is on, or away from, the Insured's premises in accordance with the terms and conditions of this Insurance.

5. PROPERTY EXCLUDED

The following property shall be excluded from coverage hereunder:

Buildings, equipment and tools; furniture and fixtures which are not part of the collections of the Insured; securities, money other than numismatic property; packing material and supplies.

6. PERILS INSURED

This Insurance covers against all risks of physical loss or damage from any external cause, except as excluded in paragraph 7.

7. PERILS EXCLUDED

This Insurance does not cover loss, damage, or liability occasioned by:

- A. Wear and tear, gradual deterioration, insects, vermin, inherent vice or damage sustained due to or resulting from any repairing, restoration, or retouching process;
- B. Shipments by mail unless by registered first class mail provided, however, the value of any one shipping package by registered first class mail shall not exceed \$10,000.00.
- C. Nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by, the peril(s) insured against in this Insurance; however, subject to the foregoing and all provisions of the Insurance, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is insured against by this Insurance.

- D. Except with respect to Insured objects in overseas transit:
  - (1) Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual impending or expected attack.
    - (a) By any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or
    - (b) By military, naval or air forces; or
    - (c) By an agent of any such government, power, authority or forces;
  - (2) Any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
  - (3) Insurrection, rebellion, revolution, civil war, usurped power or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority or risks of contraband or illegal transportation or trade;
- E. This Insurance does not cover the insured property on fair grounds or on the premises of any national or international exposition unless such premises are specifically described by endorsement hereto.

8. TERRITORIAL LIMITS

Coverage hereunder will apply World Wide except Mexico, Central and South America, Hong Kong and certain "Sensitive Countries" where location and transit coverages must be specially arranged with Underwriters in advance of coverage attaching. A "sensitive country" is a country so designated by Underwriters from time to time, according to a listing available from Carl G. Allen, Fred. S. James & Co.

9. LEGAL LIABILITY - NO RECOURSE CLAUSE

This Insurance covers the Insureds' legal liability as bailee of all loan properties which the Insured has been instructed not to insure (excluding, however, any property for which the Insured has obtained a valid Certificate of Insurance from another source, naming the Insured as an Additional Insured thereunder, or a signed Release of Liability from the owner). In the event of any action involving the Insured for loss or damage to such property the Underwriters will:

- A. Pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay by reason of liability imposed upon the Insured as a bailee, for loss or destruction of, or damage to, property of others occurring while this Insurance remains in effect;
- B. Pay the Insureds' expenses incurred in the removal of all debris of damaged property for which the Insureds' liability is insured in A. above, resulting from loss insured against herein (but such debris removal cost shall not enter into determination of the said property's value nor shall such expense be in addition to the limit(s) of coverage provided in Paragraph 1 of the Insurance).

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It is agreed that Underwriters will seek no recourse against carriers, packers, exhibitors or other bailees, except with the Insureds' and/or their Agents' prior consent. Underwriters, however, reserve all rights of recourse against Airline Carriers.

10. "WALL TO WALL" ("NAIL TO NAIL") COVERAGE

This Insurance covers the Insured property on a "wall to wall" ("nail to nail") basis, or domicile to domicile basis as applicable, from the time said property is removed from its normal repository, incidental to shipment, until returned thereto or other point designated by the owner or owner's agent prior to return shipment, including while in transit to or from points of consolidation or deconsolidation, packing, repacking or unpacking, while at such locations during such processes or awaiting shipment.

Coverage shall terminate upon arrival of the insured property at the final destination designated by the owner or owner's agent, or upon expiration of this Insurance, whichever may occur first, except that expiration of this Insurance shall not prejudice coverage of any risk then in transit.

11. VALUATION

The valuation of each article of property insured by this Insurance shall be determined as follows:

- A. Property of the Insured shall be insured for and valued at the current fair market value of each article indicated on the books and records of the Insured prior to loss, according to the Insureds' valuation of each object insured. If the Insured's records do not reflect the current fair market value of an insured object, see subparagraph C. below.
- B. Property of others loaned to the Insured or for which the Insured may be legally liable, which the Insured has agreed, or been instructed, to insure, or which the Insured has been instructed not to insure but for which the Insured may be legally liable, shall be insured for and valued at the amount agreed upon for each article by the Insured and owner(s) as recorded on the books and records of the Insured prior to loss.
- C. Otherwise, in the absence of recorded current fair market values or agreed values for each article insured, Underwriters shall not be liable beyond the fair market value of the property at the time any loss or damage occurs. Said value shall be ascertained by the Insured and Underwriters or, if they differ, then the amount of value or loss shall be determined as provided in the following Appraisal Clause 12.

12. APPRAISAL

If the Insured and Underwriters fail to agree as to the amount of value of, or loss to, an insured article, each shall, on the written demand of either made within 60 days after receipt of proof of loss by Underwriters, select a competent and disinterested

appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and failing for 15 days to agree upon such umpire, then on the request of the Insured or Underwriters, such umpire shall be selected by a judge or court of record in the state or other jurisdiction in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately their valuation at the time of loss and the amount of loss, and if failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The Insured and Underwriters shall each pay their chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. Underwriters shall not be held to have waived any of their rights by any act relating to appraisal.

13. PAIRS AND SETS

In the event of the total loss of any article or articles which are part of a set, Underwriters agree to pay the Insured, at the option of the Insured, the full amount of the value of such pair or set as determined by the Valuation Clause set forth in this Insurance and the Insured agrees, if such option is elected, to surrender the remaining article or articles of the pair or set to the Underwriters.

14. ADDITIONAL INSUREDS

The "owner" and "owners" as defined in Paragraph 21, and temporary borrowers or custodians (but not carriers, packers or shippers) of property insured hereunder are additional Insureds hereunder, but only as respects coverage afforded said insured property.

15. OTHER INSURANCE

If there is other valid and collectible insurance or national indemnity covering the property insured hereunder, whether prior or subsequent to, or simultaneous with, this insurance, which in the absence of this Insurance would cover the loss or damage hereby covered, then Underwriters shall not be liable hereunder for more than the excess over and above such other insurance or national indemnity.

This clause, however, shall not apply to insurance effected by owners of property loaned to the Insured and the existence of such insurance or payment of a loss thereunder shall not constitute a defense to any claim otherwise payable under this Insurance, nor shall such insurance be called on to contribute to any loss payable hereunder.

Permission is hereby granted to the Insured to carry Excess Insurance.

16. LOSS - NOTICE, PROOF, ADJUSTMENT, SETTLEMENT, SALVAGE

As soon as practicable after the Insured has knowledge of a loss, damage or occurrence which may give rise to a claim under this Insurance:

- A. The Insured shall report such loss, damage or occurrence in writing to Carl G. Allen, Fred. S. James & Co., 3435 Wilshire Boulevard, Los Angeles, California 90010, U.S.A. ("James"), for transmittal of such notice of loss by James to Underwriters.
- B. The Insured, within 90 days of discovery of such loss, damage or occurrence, or as soon as practicable, shall also file with James for transmittal to Underwriters a detailed sworn proof of loss.
- C. All losses will be adjusted as soon as practicable.
- D. After paying to the Insured or order the total insured value of any object for which claim is made, Underwriters shall have the right to take possession of such article but shall grant to the Insured the right of first refusal to repurchase such article for the amount of the paid claim plus adjustment expenses or its fair market salvage value as determined by Underwriters, whichever is less.

E. Direct Adjustment Clause

In case of loss of property of others (insured hereunder) held by the Insured, for loss of which claim is made upon Underwriters, the right to adjust such loss with the owner or owners of the property is reserved to Underwriters and the receipt of such owner or owners in satisfaction thereof shall be in full satisfaction of any claim of the Insured for the loss of said property for which such payment has been made. If legal proceedings be taken to enforce claim against the Insured as respects any such loss, Underwriters reserve the right at their option without expense to the Insured, to conduct and control the defense on behalf of and in the name of the Insured. In no event is this Insurance liable for more than the total amount of insurance granted hereunder.

No loss shall be paid or made good if the Insured has collected the same from others.

17. INSURED NOT TO ASSUME LIABILITY

The Insured shall not voluntarily assume any liability nor incur any expense nor settle any claim, except at the Insured's own cost. The Insured shall not interfere in any negotiation for settlement nor in any legal proceedings, but whenever requested and at the Underwriters' expense, the Insured shall aid in securing information and evidence and the attendance of witnesses, and shall cooperate with the Underwriters, except in a pecuniary way, in all matters which the Underwriters may deem necessary in the defence of any suit or in the prosecution of any appeal.

18. DUTIES OF THE INSURED

It is a condition of this Insurance that the Insured will, to the best of the Insureds' ability:

- A. Provide for the Insured property to be packed and unpacked by competent packers;
- B. Use due diligence to protect the Insured property against loss or damage.

19. CANCELLATION

This Insurance may be cancelled at any time at the written request of the Insured or at any time by Underwriters by giving the Insured thirty (30) days written notice of cancellation. Notwithstanding the foregoing, Underwriters may cancel coverage of objects in overseas transits, with respect to War Risks by giving the Insured seven (7) days notice of cancellation, and with respect to Strike Risks, forty-eight (48) hours notice of cancellation. In the event of such notice being given, cancellation shall apply only to shipments the risk on which has not attached prior to the expiration of thirty (30) days, seven (7) days or forty-eight (48) hours, as the case may be, from 12:01 a.m. Local Standard Time, on the date on which notice of cancellation is received by the Named Insureds. As respects property in transit on the date of cancellation, coverage hereunder shall extend until arrival of said property at its consigned destination.

20. ALL OTHER MATTERS-CONFLICTING PROVISION OF UNDERLYING POLICY FORMS

All matters not provided for in this form or by endorsement hereon shall be governed by the terms and conditions of the Underwriters' printed policy forms to which this form is attached or which have been issued in conjunction with this form and attached thereto. The terms, conditions and clauses contained in this form will supersede and replace all other terms, conditions and clauses contained in Underwriters' policies which may conflict.

21. DEFINITIONS - WHENEVER USED IN THIS INSURANCE

"Domestic" shall mean the national territory within which the Principal Insured is located.

- A. For Principal Insureds located in North America, "domestic" shall include the United States and Provinces of Canada, and shall include air shipments in due course of transit over water between Alaska and Hawaii and any of the contiguous United States or Provinces of Canada.
- B. For Principal Insureds located in Europe, "domestic" shall include the non-"sensitive" countries of that continent, and shipments between such countries except for ground transits passing over the territory of "sensitive" countries.

C. For Insureds located in any other continent, "domestic" shall include the non-"sensitive" countries of that continent, and shipments between such countries except for ground transits passing over the territory of "sensitive" countries.

A "Sensitive" Country is a temporarily unstable country, as designated by Underwriters from time to time, according to a listing available from Carl G. Allen, Fred. S. James & Co.

"Foreign" shall mean any territory or location not "domestic".

"Overseas" shall mean over water internationally.

"Owner" and "Owners" shall mean associations, corporations, firms, institutions, museums, persons and others who own or control collections, objects or articles, who make them available to the named Insureds.

"Occurrence" shall mean an event or continuous or repeated exposure to conditions, which unexpectedly cause loss, damage or injury. All such exposure to substantially the same general conditions existing or emanating from each premises location, or transit conveyance, shall be deemed one occurrence.

"Permanent Collection" shall mean the property of the named Insured, including the Insureds' interest in residuary gifts and jointly owned property, but only to the extent of the named Insureds' interest therein at the time of loss or damage.

"Loan Collection" shall mean the property of others on loan to, or in the care, custody or control of, the named Insured, including:

the property of others on extended loan to the named insured;

the property of others offered as gifts, or for sale, to the named Insured, and while awaiting acceptance by the named Insured.

"Special Exhibition", as distinct from "Permanent Collection" or "Loan Collection"; shall mean a collection of objects from the Insureds' Permanent Collection or Loan Collection brought together for a special showing or titled exhibition. A "Special Exhibition" may be:

organized by the named Insured for its own exhibition;

organized by the named Insured and forwarded in turn to other cooperating institutions for scheduled exhibition;

organized by another institution, agency, artist, collector, dealer or others, and forwarded to the named Insured in its turn for special titled exhibition.

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22. SPECIAL CONDITIONS APPLYING TO OVERSEAS TRANSITS

Subject to limits and terms as stated in this insurance, the insured property is covered against all risks of physical loss or damage from any external cause at locations and while in overseas transit, subject to limits as stated in this Insurance. Perils of War, Strikes, Riots, Civil Commotions and Malicious Damage are insured as per Institute Clauses.

23. GENERAL CONDITIONS

**BAILEE NOT TO BENEFIT:**

This Insurance shall not inure directly or indirectly to the benefit of any carrier or bailee other than the Insured.

**CHANGES:**

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or change in any part of this insurance or estop the Underwriters from asserting any right under the terms of this insurance, nor shall the terms of this Insurance be waived or changed, except by endorsement issued to form a part of this Insurance.

**COLLECTION FROM OTHERS:**

No loss shall be paid hereunder if the Insured has collected the same from others.

**CONFORMITY TO STATUTE:**

Terms of this Insurance which are in conflict with the statutes of the state or other jurisdiction wherein this Insurance is issued are hereby amended to conform to such statutes. Any provisions required by law to be stated in policies issued by the subscribers shall be deemed to have been stated herein.

**EXAMINATION UNDER OATH:**

The Insured, as often as may be reasonably requested, shall exhibit to any person designated by Underwriters all that remains of any property herein described, and shall submit, and insofar as it 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 Underwriters and subscribe the same; and, as often as may be reasonably required, shall produce for examination all 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 Underwriters or their 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 Underwriters or any of their employees or representatives in connection with the investigation of any loss or claim hereunder, shall be deemed a waiver of any defense which Underwriters might otherwise have with respect to any loss or claim, but all such examinations and acts shall be deemed to have been made or done without prejudice to Underwriters' liability.



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**INTEREST IN INSURANCE AND PAYMENT OF LOSS:**

This Insurance is issued for the account of whom it may concern and loss, if any, will be adjusted with, and is payable to, the Insured or order.

**MISREPRESENTATION AND FRAUD:**

This entire Insurance shall be void if, whether before or after loss, the Insured has concealed or misrepresented any material fact or circumstance concerning this Insurance or the subject thereof, or the interest of the Insured therein, or in case of any fraud or false swearing by the Insured relating thereto.

**REINSTATEMENT CLAUSE:**

In the event of a loss under the insurance, the amount of such loss is automatically reinstated immediately without additional premium and the insurance shall remain in force for the full amounts set out herein subject to the terms and conditions of this insurance.

**SUBROGATION OR LOAN:**

If in the event of loss or damage the Insured shall acquire any right of action against any individual, firm, corporation or museum for loss of, or damage to, property covered hereunder, the Insured will, if requested by Underwriters, assign and transfer such claim or right of action to Underwriters or, at Underwriters option, execute and deliver to Underwriters the customary form of loan receipt upon receiving an advance of funds in respect of the loss or damage; and will subrogate Underwriters to, or will hold in trust for Underwriters, 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 the direction of, and at the expense of, Underwriters.

**SUE AND LABOR - 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 the property insured hereunder, or any part thereof, without prejudice to this insurance, nor shall the acts of the Insured or Underwriters, in recovering, saving and preserving the property insured in case of loss be considered a waiver or an acceptance of abandonment. The expenses so incurred shall be borne by the Insured and Underwriters proportionately to the extent of their respective interests.

**SUIT:**

No suit, action or proceeding for the recovery of any claim under this Insurance shall be sustainable in any court of law or equity unless the same be commenced within 12 months next after discovery by the insured of the occurrence which gives rise to the claim, provided, however, that if by the laws of the state or other jurisdiction within which this Insurance 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 or other jurisdiction.

UNDERWRITERS INTEREST:

The interest of each Underwriter hereunder is individual and not joint, and whenever any right or privilege is retained by Underwriters, such right or privilege may be exercised by each Underwriter independently.

In event of litigation subscribers hereto upon request agree to issue separate policies covering their subscription.

24. UNDERWRITERS

This Insurance is subscribed by the following Underwriters, each Underwriter for itself only and not for one another and in respect only of the due proportions of each Underwriter as set forth below:

<u>Underwriters</u>	<u>Share Underwritten</u>	<u>Reference or Policy Number</u>
<u>Section A.</u>		
1. American National Fire Insurance Company	25%	M1422093
2. Continental Insurance Company	20%	IMC461218
3. Mission National Insurance Company	55%	MS 019438
<u>Section B.</u>		
1. Mission National Insurance Company	100%	MS 019438
<u>Section C.</u>		
1. Mission National Insurance Company	100%	MS 019438
<u>Section D.</u>		
1. Mission National Insurance Company	100%	MS 019438

IN WITNESS WHEREOF this Certificate of Insurance has been executed this 7th day of July, 1982.

FRED. S. JAMES & CO.

BY Carl G. Allen  
CARL G. ALLEN