

IRONSHORE INSURANCE SERVICES LLC
ONE STATE STREET, 7TH FLOOR, NEW YORK, NY 10004
ADMINISTRATOR FOR PEMBROKE MANAGING AGENCY - LLOYD'S SYNDICATE 4000
UMR# B6081NB000441A

FINE ARTS DEALERS INSURANCE POLICY

Named Insured:

Policy Number:

The Underwriters, in consideration of the payment of the premium, and the INSURED, undertaking to promptly pay the Deductible/Self-Insured Retention as described in Item 4 of the Declarations, and in reliance upon the statements and representations in the application and any supplemental materials submitted therewith, which are made as part hereof and attached hereto, and subject to all the terms and conditions of this Policy, agree with the INSURED as follows:

I. INSURING AGREEMENT

The property described in the attached Declarations is insured against physical loss or physical damage occurring during the period of insurance while at the named location(s) or while in transit within the territorial limits specified in the Declarations, subject to the following Exclusions, basis of settlement and conditions. The underwriters are only liable to the extent that any other valid insurance would fail to cover any claim if this insurance had not been issued.

II. EXCLUSIONS

A. This Policy shall not apply to CLAIMS or CLAIMS EXPENSES arising out of or resulting from:

1) loss or damage caused by or resulting from:

- a) natural ageing, gradual deterioration, inherent defect, rust or oxidation, moth or vermin, warping or shrinkage
- b) repairing, reframing, restoring, retouching or any similar process
- c) aridity, humidity, exposure to light or extremes of temperature unless such loss or damage is caused by storm, frost or fire
- d) theft or dishonesty committed by or in collusion with any principal, shareholder (beneficial or otherwise), partner, director or other officer or any employee of the insured, or any person to whom insured property is entrusted or loaned.

2) loss or shortage discovered while taking inventory.

3) loss of or damage to property unless it is entered in the insured's stock records.

4) loss or damage at any trade fair unless specifically notified to and agreed by the underwriters in advance

5) loss from or damage in or on unattended vehicles.

6) electrical or mechanical fault or breakdown

7) the amount of the deductible stated in the Schedule for each and every loss.

- 8) consequential loss of any kind.
- 9) mysterious disappearance or unexplained loss.
- 10) loss or damage or liability directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power.
- 11) loss or damage caused by or resulting from confiscation, nationalisation, requisition or destruction of or damage to property by or under the order of any government or public or local authority.
- 12) loss or damage arising directly or indirectly from nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear reaction, nuclear radiation or radioactive contamination may have been caused.
- 13) War and Terrorism Exclusion:

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

- a. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- b. any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to A and/or B above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the INSURED.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

III. BASIS OF SETTLEMENT

- A. The basis of valuation for settlement will be:
 1. for items which belong to the insured, the basis specified in the Schedule;
 2. for items sold but not delivered to the purchasers, the selling price;
 3. for items bought on behalf of the insured's client, the purchase price plus any fee or commission pre-agreed and made in writing;

4. for items in the care, custody or control of the insured which belong to third parties, the lesser of the market value immediately prior to the loss and the insured's legal liability to the third party;
5. for fixtures and fittings, the lesser of replacement cost after an allowance for depreciation or the cost of repair.

In no event will the underwriters be liable for more than the limits of liability set out in the Schedule.

- B. In the event of partial loss or damage to any item insured the amount payable shall be the cost and expense of restoration plus any resulting depreciation in value but not exceeding the full value of that item.
- C. In the event of loss of or damage to any insured property which has an increased value because it forms Part of a pair or set, any indemnity under this insurance shall not take account of the increased value but shall only be a proportional part of the value of the pair or set.
- D. Following the payment of the full amount insured for any item, pair or set, the underwriters will become the full owners full owners and reserve the right to take possession of the item, pair or set.

IV. SANCTION LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such benefit would expose that (re)insurer 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 or United States of America.

V. CONDITIONS

1. Stock Records

The insured must keep and maintain stock and account records in which details of all purchases, sales, property bought on behalf of the insured's client and other property entrusted to the insured are recorded. These records must be available for inspection by the underwriters or their representatives in the event of a claim. Property not recorded in these records is not covered under this insurance.

2. Due Diligence

The insured must take all reasonable care and measures to protect the insured property and to maintain it in a good and proper condition.

3. Transits

The insured must ensure that the insured property is packed and unpacked for transit by competent professional packers.

4. Protections Maintenance Clause

The insured must ensure that all physical protections notified to the underwriters are engaged whenever the named location(s) are left unattended.

The insured must ensure that all fire alarm and security systems notified to the underwriters are activated whenever the named location(s) are left unattended. The insured must also advise the underwriters as soon as reasonably possible if for any reason a system is not working properly. The underwriters may then vary the terms and conditions of this insurance. All systems must be regularly serviced under contract by a reputable company at least annually.

5. No Benefit to Bailee

This insurance will not work in any way to the benefit of any bailee or any person to whom insured property is entrusted for any purpose, including carriage or storage.

6. Keys Clause

The insured must ensure that all keys to all safes, strongrooms, alarms and final exit doors are removed from unattended location(s).

7. Notice and Proof of Loss

In the event of loss or damage that may give rise to a claim under this insurance notice is to be given to the underwriters as soon as reasonably possible, and to the police if a crime is suspected.

In the event of loss or damage to the insured property the insured must give the underwriters such relevant information and evidence as may reasonably be required and co-operate fully in the investigation or adjustment of any claim. If required by the underwriters the insured must submit to examination under oath by any person designated by the underwriters.

8. Subrogation

If the underwriters become liable for any payment under this insurance in respect of a loss, the Underwriters shall be subrogated, to the extent of the payment, to all the rights and remedies of the insured against any party in respect of the loss and shall be entitled at their own expense to sue in the name of the insured. The insured shall give the underwriters all such assistance in his power as the underwriters may require to secure their rights and remedies and, at the underwriters' request, shall execute all documents necessary to enable the underwriters effectively to bring suit in the name of the insured. The underwriters shall be entitled to all recoveries from any third party up to the amount of their outlay including their own costs and expenses.

9. Misrepresentation and Fraud

If the insured has concealed or misrepresented any material fact or circumstance relating to this insurance or makes any claim knowing it fraudulent, this insurance shall become void.

10. Cancellation

This insurance may be cancelled at any time by the insured in writing to the broker or agent who effected this insurance. The underwriters will then be entitled to the customary pro rata portion plus 15% of the premium. This insurance may also be cancelled by or on behalf of underwriters by giving 30 days notice in writing sent by first class mail to the insured at his last known address. The underwriters will then be entitled to the pro rata proportion of the premium. Any repayment of premium will be made as soon as reasonably possible and will not prejudice the effectiveness of the cancellation in any way. Notice will be deemed to have been given if sent by first class mail properly addressed.

11. Service of Suit

It is agreed that in the event of the failure of the underwriters to pay any amount claimed to be due under this insurance, the underwriters, at the insured's request, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this clause constitutes or should be understood to constitute a waiver of the underwriters' rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District court, or

to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon the attorney named in the Schedule and that in any suit instituted against any one of them upon this contract, the underwriters will abide by the final decision of such court or of any appellate court in the event of an appeal.


The attorney named in the Schedule is authorized and directed to accept service of process on behalf of the underwriters in any such suit and/or upon the request of the insured to give a written undertaking to the insured that he will enter a general appearance upon the underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, the underwriters hereby designate the superintendent, commissioner or director of insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the attorney named in the Declarations as the person to whom the said officer is authorized to mail such process or a true copy thereof.

12. Interpretation of Terms

To the extent that any court of competent jurisdiction should determine that any term or provision of this insurance would be in conflict with the public policy of the state wherein such court is situated, the said term or provision is to be interpreted and/or amended so as to conform to the said state's public policy.

Date: December 12, 2014



Authorized Signor