

IRONSHORE INSURANCE SERVICES LLC

ONE STATE STREET, 7TH FLOOR, NEW YORK, NY 10004

ADMINISTRATOR FOR PEMBROKE MANAGING AGENCY - LLOYD'S SYNDICATE 4000

UMR# B6081NB000441A

MUSICAL INSTRUMENTS 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 instruments described in the attached Declarations are insured against physical loss or physical damage occurring during the period of insurance while at the named location(s) or within the territorial limits specified in the Schedule, subject to the following exclusions, basis of settlement and conditions.

II. EXCLUSIONS

This insurance does not cover:

- A. loss or damage caused by or resulting from:
 - i. wear and tear, gradual deterioration, inherent defect, moth or vermin;
 - ii. maintenance, repair, restoration or any similar process;
 - iii. aridity, humidity, or extremes of temperature unless such loss or damage is caused by storm, frost or fire
- B. loss from or damage in or on unattended vehicles, unless in the custody of a competent professional carrier.
- C. electrical or mechanical fault or breakdown
- D. breakage of strings, reeds or drumheads while the instrument is being played
- E. 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.
- F. Loss or damage caused by or resulting from confiscation, nationalization, requisition or destruction of or damage to property by or under the order of any government or public or local authority.

- G. i. Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss.
ii. any legal liability of whatsoever nature

directly or indirectly caused by or contributed to by or arising from

- a. ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion or nuclear fuel
b. the radioactive toxic, explosive or other hazardous properties of any explosive nuclear assembly thereof
c. nuclear reaction, nuclear radiation or radioactive contamination.

III. BASIS OF SETTLEMENT

- A. The basis of valuation for settlement will be:
- i. for instruments individually listed, the value agreed by the underwriters and shown in the Schedule. At the insured's option, the underwriters will repair, replace or pay for the lost or damaged instruments. The underwriters will not be liable for more than the agreed value.
ii. For instruments not individually listed, the market value immediately prior to the loss. The underwriters will at their option repair, replace or pay for the lost or damaged instruments.
- B. In the event of partial loss or damage to any insured instrument, the underwriters will pay the cost and expense of restoration plus any resulting depreciation but not exceeding the full value of that instrument valued as in A above.
- C. In the event of loss of or damage to any insured instrument that has an increased value because it forms part of a pair or set, any payment under this insurance shall take account of the increased value.
- D. In no event shall the underwriters be liable for more than the applicable limits of liability shown in the Schedule.
- E. Following payment of the full amount insured for any item, pair or set, the underwriters will become the full owners and reserve the right to take possession of the item, pair or set.

IV. CONDITIONS

- A. ***Due Diligence***
The insured must take all reasonable care and measures to protect the insured instrument and to maintain it in good and proper condition.
- B. ***Transit***
The insured must ensure that an instrument in transit is adequately packed and secured given the nature of the instrument and means of transport.
- C. ***Acquisitions***
The aggregate sum insured may be increased by up to 10% to cover new acquisitions provided underwriters are notified within 60 days and an additional premium is paid. This allowance will be available in full again following each notification to the underwriters.

D. 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 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.

E. 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.

If a claim is made, the insured must give the underwriters such relevant information and evidence as may reasonably be required and cooperate fully in the investigation or adjustment of the claim. If required by the underwriters the insured must submit to examination under oath by any person designated by the underwriters.

F. Subrogation

The underwriters will be entitled to take over and deal with in the insured's name (but at the underwriters' expense) the defense or settlement of any claim and to bring proceedings in the insured's name to recover for the underwriters' benefit the amount of any payment made under this insurance, including their own costs and expenses. The underwriters shall be entitled to exercise all the rights and remedies of the insured who shall give all assistance in his power as the underwriters may require.

G. Recovered Instruments

The insured will have the right to purchase from the underwriters any instrument recovered for which the full sum insured has been paid in settlement of a claim at the lesser of:

- i. The amount of the settled claim plus interest from the date of the settlement at a relevant prevailing bank base rate plus loss adjustment and recovery expenses;
- ii. The fair market value at the time of recovery

The underwriters will notify the insured by post at his last known address of the right to purchase the instrument recovered and the insured will have 60 days from the date of notice to exercise the right to repurchase.

H. 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.


I. Cancellation

This insurance may be cancelled at any time by the insured in writing to the broker or agent who effected this insurance. The insured will then be entitled to a pro rata return of paid premium, provided no claim has been made on this insurance. 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. Notice will be deemed to have been given if sent by first class mail properly addressed.

J. Governing Law and Jurisdiction

This insurance is governed by and construed in accordance with the law of the United States of America and the courts and have exclusive jurisdiction to adjudicate any dispute.

Date: December 12, 2014



Authorized Signor

4818-8797-9808, v. 1