



Artinsure Underwriting Managers PTY Limited

Insurance for the Private Collector



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1. INTRODUCTION

This Policy has been designed to meet the needs of the fine art and antique collector. The Policy wording, any Endorsements and the accompanying Schedule should be read together to ensure they fully reflect Your instructions. If anything is not correct please notify Your broker immediately.

In accordance with the terms and conditions within this Policy We will insure You against physical loss or physical damage to Your Collection. We will also insure You for a claim for loss or damages arising under the additional sections which We have agreed to insure You for as shown in the Schedule. We will insure You during the Period of Insurance for which We have accepted Your premium. We will do this so long as You have paid Your premium and all the terms and conditions of the Policy are complied with.

Please note that this is a legal document and must be kept in a safe place. In order to ensure that We are able to meet Your needs You must inform Us via Your broker immediately should any changes take place after the start of this insurance which may affect Your Policy. If You do not inform Us cover in terms of the Policy may be voided.

2. DEFINITIONS

This Policy contains certain words which have special meanings and We have provided these meanings here.

Agreed Values	These are the values agreed between You and Us for the purposes of this Policy only. They do not reflect Our view of what You may attain when selling the item.
Amount Insured	This is the most We will pay in respect of insured losses as shown in the Schedule.
Collection	The art, antiques and other property belonging to You, or for which You have a legal responsibility, as specified in the Schedule.
Depreciation	The reduction in value of an item directly caused by physical damage to the item.
Endorsement	Any amendments made to the Policy which attach to the Policy and which has been made by Us and sent to You.
Excess	The amount for which You are responsible as the first part of each agreed claim.
Fair Market Value	The value of the item in the current market involving an arms-length sale between a willing buyer and a willing seller.
Household	You, Your spouse or partner, children, parents and other persons who live permanently with You at the Premises.
Insured	The private collector
Period of Insurance	The period shown in the Schedule for which You have paid or have agreed to pay and We have accepted or agreed to accept Your premium and in doing so We have agreed to provide the insurance as set out in and subject to the terms and conditions of this Policy.
Premises	The private dwelling(s) at the address(es) specified in the Schedule, but not the gardens, grounds, garage and outbuildings.
Policy	The insurance contract in place between You and Us consisting of this Policy wording and the Schedule and any Endorsements or amendments as may be made to it from time to time.
Schedule	The Schedule to this Policy wording which forms part of and is issued in accordance with the Policy.
Temporarily Elsewhere	Away from the Premises for a period not exceeding the maximum time allowed for in the Schedule.
Unoccupied	Not attended by a member of the Household
We or Us or Our	The Hollard Insurance Company Limited.
You or Your	The person or persons named in the Schedule as the Insured.

3. THE COVER

YOU ARE INSURED ON THE FOLLOWING BASIS, SUBJECT TO THE TERMS AND CONDITIONS OF THIS POLICY:

THE COLLECTION	<p>You are insured against a valid claim for physical loss or physical damage which happens to the Collection at the Premises during the Period of Insurance.</p> <p>You are also insured against physical loss or physical damage which happens to the Collection Temporarily Elsewhere. If an amount insured is specified in the policy schedule.</p>
TEMPORARY STORAGE COSTS	<p>Provided You have Our prior written agreement, You are insured for the reasonable costs of up to an aggregate 20% of the total sum insured of the Collection, for transporting and securing Your Collection in the event, that in Our opinion Your Premises are rendered uninhabitable or the security is compromised as a result of sudden physical loss or damage to Your Premises.</p>
DEPRECIATION	<p>Depreciation is included where it occurs as a direct result of damage insured in this Policy.</p>
NEW ACQUISITIONS	<p>You are insured against physical loss or damage to items newly acquired to be added to Your Collection provided that You notify Us within 30 days of the date of purchase and an additional premium as determined by Us is paid. The most We will pay under this section is 30% of the total value of the Collection and the value shall be the value as at the date of purchase.</p>
DEATH OF AN ARTIST	<p>The agreed values shall be increased by 150% immediately upon the death or incapacity of the artist subject to confirmation by You within 21 working days to Us. The additional premium payable on the art works shall be due with immediate effect following the death of the artist.</p>
PAIRS AND SETS	<p>If any item which has increased in value because it forms part of a set is lost or damaged, any payment We make will take into account the increased value. You may decide if We pay the value of the entire pair or set. In any event, the most We will pay You is the value of the pair or set subject to the Amount Insured.</p> <p>If We pay the full Amount Insured for an item, pair or set, We will own the item pair or set and have the right to take possession of it.</p>
HOW MUCH WILL WE PAY	<p>If an item is lost or destroyed, We will pay the value of that item.</p> <p>If an item is partly damaged, You may decide whether We repair, replace or pay the value of the damaged item. If We repair it, We will also pay for any loss in value. The most We will pay in total is the value of that item.</p> <p>The value is the Agreed Value for those items specified and for unspecified items it is the Fair Market Value.</p> <p>In any event, the most that We will be liable to pay You for all claims in the aggregate is the Amount Insured as shown in the Schedule.</p>
RECOVERED PROPERTY	<p>If We recover any item from Your Collection after a claim in relation to that item has been paid to You, We will notify You in writing and You can buy it back from Us. You will have to pay Us the amount We paid You in settlement of the claim plus interest at a rate permitted by law which would have been generated on the money since the date of payment to You up to the time We recover it. You will have 60 days from the time of notifying You to decide to buy it from Us.</p>
DEFECTIVE TITLE	<p>You are insured up to the amount as shown in the Schedule in the event of a valid</p>

claim for the amount You have paid to purchase an item intended to form part of Your Collection which You are subsequently required by a court of law to relinquish possession of due to:

- i. The vendor's lack of title, or defective title, to the item purchased by You.
- ii. Any charge or encumbrance placed on the item, prior to purchase by You, of which You were not aware.

In addition, You are also insured for legal costs You incur, with our prior written consent, in defending a claim made against You for defective title arising from i and/or ii above.

We will pay either the cost of the item which You are required by a court of law to relinquish possession, or if You have already disposed of the item, Your legal liability to the owner of the item, not to exceed the item's Fair Market Value.

We will also pay the reasonable legal defense costs You incur, with our prior written consent, in defending claims in respect of any defective and/ or lack of title claim made against You.

The most We will pay under this section for both the item concerned and/or legal costs is the Amount Insured as specified for this section in the Schedule.

It is a condition of this section that the purchase of the item forming the subject matter of the valid claim was made after the start date of the Policy and any relevant claim in relation to defective title is made against You during the Period of Insurance.

You shall not commence any litigation or other legal process on behalf of Artinsure or Us without our written consent.

You must provide proof to our satisfaction that You took all reasonable steps to check the provenance of the item, particularly if purchased from a source other than from a member of a recognised art or antique trade association or an auctioneer specialising in fine art and antiques.

4. WHAT IS NOT COVERED – GENERAL EXCLUSIONS APPLICABLE TO ALL SECTIONS OF THIS POLICY

WE ARE NOT LIABLE TO PAY FOR ANY CLAIM DIRECTLY OR INDIRECTLY CAUSED BY OR RESULTING FROM:

- i. Inherent defect, wear and tear, gradual deterioration, rust or oxidization, insects, vermin or warping,
- ii. Alteration, misuse, electrical or mechanical breakdown.
- iii. Any process of heating, drying, cleaning, washing, dyeing, alteration, repair, restoration, maintenance, dismantling, decoration.
- iv. Confiscation, requisition, detention or destruction by or by order of any government, public or local authority.
- v. War, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, civil commotion, labour disturbances, riot, strike, lockout or public disorder or any act or activity which is calculated or directed to bring about any of the foregoing, or military or usurped power.
- vi. Breakage or theft or attempted theft while the Premises is lent or rented unless entry to or exit from the Premises is made using violence or force.
- vii. Ionizing radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the

combustion of nuclear fuel or the radioactive, toxic, explosive or hazardous properties of any explosive nuclear assemble or nuclear component

- viii. An act using or threatening to use violence or force which is committed by a person or group of people, whether acting alone or on behalf of or in connection with an organisation or government and is for political, religious, ideological or similar reasons.
- ix. Your own willful act or that of any of Your Employees.
- x. loss, damage, cost or expense directly or indirectly arising from permanent or temporary dispossession resulting from detention, confiscation, forfeiture, impounding or requisition legally carried out by customs, police services, crime prevention units or any lawfully constituted officials or authorities.
- xi. Loss or damage resulting directly or indirectly from or in connection with any actual or purported exchange, cash or credit sale agreement. We do not cover the first part of each claim which falls within the Excess as specified in the Schedule.
- xii. We do not cover the first part of each claim which falls within the Excess as specified in the Schedule.
- xii. Asbestos exclusion - it is hereby understood and agreed that this Agreement shall not apply to, and does not cover, any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly caused by, arising out of, resulting from, in consequence of, in any way involving, or to the extent contributed to by, the hazardous nature of asbestos in whatever form or quantity.

5. WHAT TO DO IF A LOSS OCCURS

NOTIFICATION	You must advise Us via Your broker within seven working days of Your discovery about any loss or damage which You may need to claim for under this Policy. If You do not We will not have to pay Your claim.
INFORMATION	You must complete a claims form and provide Us via Your broker with full details of Your loss or damage within 30 days of Your discovery of any loss which You may need to claim for under this Policy.
POLICE	If You think a crime has been committed, You must notify the police within 48 hours and obtain a reference number from them.
PROOF	You must prove the loss or damage has happened and give Us all the cooperation We need.
SUBROGATION	Before or after any payment under this Policy, We shall at our option, be entitled to be subrogated to all of Your rights of recovery against any person or entity (other than Yourself) and You shall, if requested to do so by Us, execute and deliver all instruments and papers and do whatever else is necessary to secure such rights. You shall do nothing to prejudice such rights.
COOPERATION	You and any lawyers or other advisers appointed by You must act in accordance with our wishes. You must co-operate fully at all times with any lawyers and/or other advisers We appoint if We exercise our rights to do so. Whether or not We take over the defence or settlement of any claim, We shall have the right at any time to negotiate with any claimant and in the event that We are able to settle the claim but You wish to continue to defend or advance such claim, You must accept as full and final discharge of all our liability under this Policy (whether then known or unknown) payment to You of the amount We could have paid the claimant to settle the claim and any legal and associated costs for which We are already liable at that point.

COSTS You must not incur any legal or associated costs without our express prior written consent to all items of such costs.

6. GENERAL CONDITIONS

INFORMATION We have relied upon the information You have supplied to Us to accept and set the terms. You must ensure that all information is accurate and that You have not withheld any information. You must inform Us of any change to the information which occurs before and during the Period of Insurance which may affect this insurance. If You are in any doubt You should ask Your broker.

MISREPRESENTATION If You have not told Us about or misrepresented any facts or circumstances which might affect our decision to provide insurance or the terms of insurance, or You have made a false claim, We can refuse to pay a claim or We can treat the insurance as though it had never existed.

CANCELLATION You have the right to cancel the Policy at any time by giving Us notice in writing by registered mail at the address provided in the Schedule.

We also have the right to cancel the Policy at any time but must give You thirty days notice. If We cancel, We will write to the postal address in the Schedule by registered mail.

REASONABLE CARE You must take all reasonable steps to protect the Collection and/or other insured items against loss or damage.

OTHER INSURANCE If at the time of a claim there is another Policy in force which covers the damaged or lost part of the Collection and/or any other insured interest in terms of this Policy We will only be liable for our proportionate share taking in to consideration the value of the claim and any pay-out by the other Policy or Policies.

REPAIRED ITEMS Where damaged items which were the subject of a claim are fully restored We will continue to insure them without any additional premium, at a new Agreed Value. We reserve the right to review the Premium at renewal of the Policy, in the event that We agree to renewal.

SECURITY The security measures which You have advised Us of must be activated and fully operational whenever the Premises are Unoccupied. We will not have to pay You for any claim or claims if You fail to maintain, implement and/or set the security measures.

JEWELLERY CLAUSE This Policy only covers the Insured Property whilst away from the insured premises when in the close personal custody and control of the insured. For the purposes of this clause "close personal custody and control" means that the Insured Property shall be held by, worn or attached to, the insured at all times whilst in transit.

A negligent or voluntary relinquishment of close personal custody and control, over the Insured Property by the insured will not constitute a loss for the purposes of recovery hereunder, unless the Insured Property is deposited in a bank safe deposit vault.

In respect of stay risks whilst at any Hotel/Motel, this Policy only covers the Insured Property when in the 'close personal custody and control' of the insured, as defined within the Personal Conveyance Clause, or in the main safe or vault of the Hotel/Motel. Cover in respect of Insured Property kept in a safe in a Hotel/Motel room will

be operative only when the room is occupied by the designated individual. Losses from unattended Hotel/Motel rooms are excluded absolutely. For the purpose of this clause a Hotel/Motel is deemed to include Guest Houses, Inns, Lodges, Bed & Breakfasts, and any other establishment offering overnight accommodation provided that such establishment is registered, or advertises itself as being registered, in accordance with Local/State/Government Legislation in their country of domicile and are legally recognised in such capacity. It is further understood and agreed that the insured must also be resident at the Hotel/Motel for the duration of time that the Insured Property is held on the Hotel/Motel premises.

TRANSIT CLAUSE	This Policy only covers the Insured Property whilst away from the insured premises when in Your close personal custody and control and or that of your agents agreed by Us. Items left unattended in a vehicle will not constitute a loss for the purpose of recovery hereunder.
AMOUNT INSURED	You must maintain the amounts insured at a level that represents the value in accordance with the Basis of Settlement set out in the Policy Schedule.
JURISDICTION	This Policy is subject to the jurisdiction of the courts of the Republic of South Africa. We are not liable for any costs or expenses not incurred in the Republic of South Africa.
ASSIGNMENT	You may not transfer this Policy nor cede any rights in terms of this Policy to any other person.
PREMIUM CLAUSE	The premium is due to Us in advance. If it is not received by Us by the due date this insurance shall be deemed to have been cancelled at midnight on the last day of the preceding Period of Insurance. If You can show that failure to make payment was an error on the part of Your bank or other paying agent the cancellation will not be enforced.
The Due date will be the first day of every calendar month where premium is payable monthly, and the first day of	
(a) each third	
(b) each sixth or	
(c) each twelfth calendar month following inception where premium is payable quarterly, half-yearly or annually.	
PREMIUM PAYMENT	Premium is payable on or before the inception date or renewal date as the case may be. We shall not be obliged to accept premium tendered after the inception date or renewal date but may do so upon such terms as We may determine at our sole discretion.
FRAUD	If any claim under this Policy is in any respect fraudulent or if any fraudulent means or devices are used by the Insured or anyone acting on their behalf or with their knowledge or consent to obtain any benefit under this Policy or if any event is occasioned by the willful act or with the connivance of the Insured, the benefit afforded under this Policy in respect of any such claim shall be forfeited.

7. REJECTION OF CLAIMS AND TIMEBAR

If We or Artinsure decline liability for a claim made in terms of this Policy or avoids this Policy or You dispute the amount of any claim under this Policy, representation may be made to Us within 90 (ninety) Days of the date of our letter of rejection or avoidance. Your representation must be submitted in writing to:

Artinsure Underwriting Managers PTY Ltd
PostNet Suite 243, Private Bag X30500, Houghton, 2041

Alternatively, You may contact:

The Ombudsman for Short-term Insurance PO Box 32334, Braamfontein, 2017
Phone : 0860 OMBUDS (0860 662 837) Fax : (011) 726 5501

If the dispute is not satisfactorily resolved in this manner, You may institute legal action against Us for the enforcement of the claim by way of the service of summons. Summons must be served on Us within one hundred and 180 (hundred and eighty) days of our original letter of rejection or avoidance. If this is not done, Your claim will be unenforceable against Us and it will become time barred and You will not be able to challenge our decision.

8. COMPLAINTS

Any enquiry or complaint You may have regarding Your Policy, or a claim notified under Your Policy may be addressed to the broker acting on Your behalf or directly to Artinsure at:-

Postal address: PostNet Suite 243, Private Bag X30500, Houghton, 2041

Telephone number: 0861 111096.

If You are not satisfied with the way the complaint has been dealt with You may ask the Hollard complaint department to review Your case at:-

Postal address: PO Box 87419, Houghton, 2041

Telephone number: (011) 351 5000

If You are not satisfied with the way a claim has been dealt with You may refer Your case to the Short Term Insurance Ombudsman at:-

Postal address: PO Box 32334, Braamfontein 2017

Telephone number: 0860 OMBUDS (0860 662 837)

Please have full Policy details and Policy number with You to enable Your complaint to be dealt with speedily.