



Heirloom

Coins, Cards + Collectibles

Collections Policy

BERKLEY NATIONAL INSURANCE COMPANY

COLLECTIBLES POLICY

Your Collectibles Policy - Quick Reference

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INSURING AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

Throughout this policy "you" and "your" refer to the Named Insured shown on the Declarations Page. The words "we", "us" and "our" refer to the Company providing this insurance.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is and is not covered.

Words and phrases that appear in quotation marks have special meaning. Refer to the Definitions Section.

PROPERTY INSURED

This Policy insures collectible objects owned by you or held in trust by you and for which you are responsible to insure as described in the Schedule of Coverages

SECTION I- GENERAL CONDITIONS

A. Conformity to State Law

When any policy provision is in conflict with the applicable law of the State in which this policy is issued, the law of the State shall apply.

B. Concealment, Misrepresentation or Fraud

This coverage is void in any case of fraud by you relating to this insurance policy. It is also void if you intentionally conceal or misrepresent a material fact concerning this coverage, the Covered Property or your interest in the Covered Property.

C. Loss Settlement –

In the event of a loss, the amount **we** pay will be the lesser of:

- a. **your** insurable interest in the insured property;
- b. **our** cost to repair or replace the insured property with material of like kind and quality to the extent practicable;
- c. the actual cash value;
- d. the limit for the insured property on the Declarations Page;
- e. the amount determined under “Pair, Set, or Parts”.

The most we will pay for total or partial losses is the maximum limit of liability less the Deductible as stated on the Declarations Page.

D. Pair, Set or Parts

In the event of a loss to insured property that is part of a pair or set, or consists of several components when complete, the amount we pay will be the lesser of:

- a. our cost to repair or replace the lost or damaged part to restore the pair or set to its value just before the loss;
- b. our cost to replace the entire pair or set, or complete item; or
- c. the actual cash value of the lost or damaged pair or set, or complete item.

As a condition of b. and c. above, you agree to turn over to us the remaining parts of the pair or set, or complete item.

E. Automatic Reinstatement of Limit After Loss

The limit of insurance will not be reduced by the payment of any claim.

F. Arbitration

If we and you disagree on the value of the property or the amount of "loss", either may make written demand for an appraisal of the "loss". In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of "loss". If they fail to agree, they will submit their difference to the umpire. A decision agreed to by any two will be binding. Each party will pay its chosen appraiser and bear the other expenses of the appraisal and umpire equally. If we submit to an appraisal, we will still retain our right to deny the claim.

G. Duties in the Event of Loss

In the event of "loss" to Covered Property, you must:

1. Notify the police if a law may have been broken;

2. Give us prompt notice of the "loss". Include a description of the property involved;
3. As soon as possible, give us a description of how, when and where the "loss" occurred;
4. Take all reasonable steps to protect the Covered Property from further damage. If feasible set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses, for consideration in the settlement of the claim;
5. Make no statement that will assume any obligation or admit any liability, for any "loss" for which we may be liable, without our consent;
6. Permit us to inspect the property and records proving "loss";
7. If requested, permit us to question you under oath, at such times as may be reasonably required, about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed;
8. Send us a signed Sworn Statement in Proof of Loss containing the information we request to settle the claim. You must do this within 90 days after our request. We will supply you with the necessary forms;
9. Promptly send us any legal papers or notices received concerning the "loss"; and
10. Cooperate with us in the investigation or settlement of the claim.

H. Examination Under Oath. You agree:

1. to be examined under oath;
2. that employees, members of your household or others will be produced for examination under oath to the extent that it is within your power to do so;
3. to produce, if requested, the remains of the insured property; and
4. to produce such records as we may need to verify the claim and its amount; and to permit copies of such records to be made if needed.

I. Loss Payment and Loss Buyback

Loss Payment

We will pay or make good any "loss" covered under this coverage within 30 days after:

1. We reach agreement with you;
2. The entry of final judgment; or
3. The filing of an appraisal award.

We will not be liable for any part of a "loss" that has been paid or made good by others.

Loss Buy Back

You shall have the right to repurchase from us the property that is lost or stolen and later recovered, for the amount paid to you for the "loss", plus an amount which represents loss adjustment and recovery expenses. You may repurchase damaged property belonging to you and for which a total "loss" has been paid, at the then "current market value" of the damaged property. We agree to notify you of your right to repurchase damaged or recovered property and you shall have 60 days from date of notice to exercise the repurchase right.

J. Legal Action Against Us

No one may bring a legal action against us under this coverage unless:

1. There has been full compliance with all the terms of the coverage; and
2. The action is brought within 2 years after you first have knowledge of the "loss".

K. Transfer of Subrogation Rights

If any person or organization to or for whom we make payment under this insurance has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "loss" to impair them.

L. No Benefit to Bailee

No person or organization, other than you, having custody of Covered Property, will benefit from this insurance.

M. Other Insurance

If you have other insurance covering the same "loss" as the insurance under this coverage, we will pay only the excess over that you should have received from the other insurance. We will pay the excess whether you can collect on the other insurance or not. This clause, however, does not apply to insurance carried by the owner(s) of property loaned to the Insured.

N. Cancellation

1. The first Named Insured shown on the Declarations Page may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for non-payment of premium; or
 - b. 60 days before the effective date of cancellation if we cancel for any other reason.

We will mail or deliver our notice of cancellation to the first Named Insured's last known mailing address. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date. If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

3. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
 - a. 10 days before the effective date of cancellation if we cancel for non-payment of premium; or
 - b. 60 days before the effective date of cancellation if we cancel for any other reason.

We will mail or deliver our notice of cancellation to the first Named Insured's last known mailing address. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date. If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

3. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

O. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown on the Declarations Page is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

- P. Coverage Territory**
We insure Covered Property worldwide except as prohibited by law.
- Q. Abandonment**
There can be no abandonment of any Covered Property to us.
- R. Property Not Covered**
Covered Property does not include contraband or property in the course of illegal transportation or trade.
- S. Covered Causes of Loss**
We will pay for direct physical "loss" to Covered Property unless the "loss" is excluded.
- T. Policy Period**
We cover "loss" which occurs during the policy period shown on the Declarations Page.
- U. Premiums**
The first Named Insured shown on the Declarations Page is responsible for the payment of all premiums and will be the payee for any return premiums.
- V. Transfer of Your Rights and Duties Under This Policy**
Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured. If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.
- W. Insurance Under Two or More Coverages**
If two or more of this policy's coverages apply to the same "loss", we will not pay more than the actual amount of the "loss".
- Y. Recoveries**
Any recovery or salvage on a "loss" will accrue entirely to our benefit.
- Z. Privilege to Adjust with Owners**
In the event of "loss" to property of others insured hereunder for which a claim is made, the right to adjust such "loss" with the owner(s) of the property is reserved to us. A receipt for payment from the owner(s) of that property will satisfy any claim of the Insured. If legal proceedings are taken to enforce a claim against you, we may opt to conduct and control the defense on behalf of and in your name. If provided, the expense of this defense will be at our cost and will not reduce the applicable limit of liability under this insurance.

SECTION 2- EXCLUSIONS

We will not pay for a "loss" caused directly or indirectly by any of the following. Such "loss" is excluded regardless of any other cause or event.

1. War and Military Action
 - a. War, including undeclared war, civil war;

- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.
- 2. Governmental Action
Seizure or destruction of property by order of governmental authority.
However, we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this coverage.
- 3. Nuclear Hazard
 - a. Any weapon employing atomic fission or fusion; or
 - b. Nuclear reaction or radiation or radioactive contamination however caused.
 However, we will pay for direct physical "loss" caused by resulting fire if the fire would be covered under this coverage.
- 4. Wear and tear, or any quality in the insured property that causes it to damage or destroy itself; dry or wet rot, warping, insects or vermin, fading, discoloration, creasing, denting, scratching, thinning..
- 5. Damage caused directly any process of manufacture, modification or repair.
- 6. Damage caused by climatic or atmospheric conditions or extremes of temperature, unless such loss or damage is directly caused by fire or water damage.
- 7. We do not pay for loss caused by or resulting from voluntary parting with title to or possession of any of the insured property because of any fraudulent scheme, trick, or false pretense.
- 8. We do not pay for loss or damage to the collection located on the ground floor or basement caused by or resulting from Ground Water unless at the time of such collection was in locked safes or cabinets, stored on rails, shelves or stillages at least 6 inches off the floor.
- 9. We do not pay for loss of damage to the collection traveling as checked luggage, unless as a result of airline procedure, direction or regulatory control. In the event the collection is checked luggage we will not pay for loss or damage unless the collection is contained within a container or suitcase of rigid construction, which must be locked at all times unless airline regulations specify to the contrary.
- 10. We do not pay for loss or damage to insured property traveling as checked luggage unless the Insured or your personally appointed representative is traveling on the same flight as the checked items.
- 11. This insurance does not apply to the extent that trade or economic sanctions or other laws or regulation prohibits us from providing insurance, including, but not limited to, the payment of claims.

SECTION 3- COVERAGE CONDITIONS

A. Protective Safeguards

It is a condition of this policy that the protection provided at your premises shall be maintained in good order, and shall be in use when your premises are unattended. It is however understood that in the event of the equipment failing to function at the time of any loss, your rights under this policy shall not be prejudiced if you were not aware of such failure or it was beyond your control.

B. Records

You will keep a detailed and itemized inventory of all Covered Property. In the event of a loss you will permit copies and extracts to be made available to us as often as we reasonably request.

C. The policy is exclusively for collectors and You qualify for collector status unless any of the following apply to You:

- You are a member of trade societies or associations where membership is dependent upon your commercial (dealer) status and the material you are insuring represents your dealing stock;
- You own (or are listed as a dealer in) a website dedicated to the buying and selling of collectibles and the Property/Interest You are insuring represents Your dealing stock;
- You derive your primary income from the trading of collectibles and the material you are insuring represents your dealing stock;
- Your 'customers' buy and sell goods from You in accordance with Your 'Terms of Trade' conditions and the goods You are selling represents Your dealing stock.

SECTION 4- DEFINITIONS

"Loss" means accidental, physical loss or damage to Covered Property.

"Current Market Value" means the amount at the time of the "loss" that it would cost to replace Covered Property with another item of similar age, quality, origin, appearance and condition within a reasonable length of time in an appropriate and relevant market.

"Replacement Cost" means the cost at the time of "loss" to replace the item with material of like kind and quality without deduction for depreciation.

"Blanket" means unscheduled.

"Bailee" means the entity to which Covered Property is entrusted for a special purpose and for a limited period of time.

"Ground water" means water that backs up through a sewer or drain; or water below the surface of the ground. This includes water that exerts pressure on or flows, seeps, or leaks through or into a building, sidewalk, driveway, foundation, swimming pool, or other structure.

Administrative Office:
757 Third Ave, 10th Floor
New York, NY 10017

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PCGS Set Registry® Coverage Endorsement

In consideration of the premium charged the following provisions shall apply

Property Insured

Property Insured is changed to: Items listed on “your” PCGS Set Registry.

Additional Coverages

1. **Transits/Sending to and from PCGS:** We will cover your collection whilst in transit to and from the premises of PCGS by common carrier up to \$75,000 any one sending (or the limit of insurance if it is less) provided always that You will pack your collection in accordance with the PCGS guidelines.
2. **Cover at PCGS premises:** We will cover your collection whilst at the premises of PCGS up to \$150,000 (or the limit of insurance if it is less)
3. **Personal Conveyance:** We will cover your collection to, from and whilst at a convention, show, auction and to and from the post office or common carrier and to and from insured premises up to \$75,000 any one conveyance (or the limit of insurance if it is less) provided that the items are within your close personal care and custody at all times.
4. **Acquisitions:** The total sum insured listed in the Schedule of Coverages may be increased by up to 10% to cover new acquisitions provided that within 90 days of purchase, or the renewal date of the policy, whichever the earlier, we are notified of the new sum insured and an additional premium is paid. This allowance will be reinstated following each notification to us.
5. **Processing and Work:** Exclusion 5 of the Policy Form (# etc) is amended to:
We do not pay for loss caused directly by any process of manufacture, modification or repair. This exclusion does not apply when your collection is being graded and/or encapsulated by Professional Coin Grading Service.

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