

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN CLAUSE 7:

#### 1. INDEMNITY AGREEMENT

In the event that any of the property insured be lost or damaged by the perils insured against, the Insurer will indemnify the Insured against the direct loss so caused to an amount not exceeding whichever is the least of:

- (a) the actual cash value of the property at the time of loss or damage;
- (b) the interest of the insured in the property;
- (c) the amount of Insurance specified on the "Declaration Page" in respect of the property lost or damaged, Provided, however, that where the insurance applies to the property of more than one person or interest, the Insurer's total liability for loss sustained by such persons and interests shall be limited in the aggregate to the amount or amounts of insurance specified on the "Declaration Page."

#### 2. PROPERTY INSURED

This Form insures "Valuable Papers and Records" owned by the insured or held by the Insured in any capacity, provided the insurance applies only to the interest of the Insured in such property, including the Insured's liability to others, and does not apply to the interest of any other person or organization in any of said property unless included in the Insured's Proof of Loss.

#### 3. DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by any of the perils insured against exceeds the amount of the deductible, if any, specified on the "Declarations Page" in any one occurrence.

#### 4. PERILS INSURED

This Form, except as herein provided insures against all risks of direct physical loss or damage to the property insured.

#### 5. EXCLUSIONS

This Form does not insure loss or damage:

- (a) due to any fraudulent, dishonest or criminal act by an insured, a partner therein, or an officer, director or trustee thereof while working or otherwise and whether acting alone or in collusion with others.
- (b) directly resulting from errors or omissions in processing or copying unless fire or explosion ensues and then only for direct loss caused by such ensuing fire or explosion;
- (c) due to electric or magnetic injury, disturbance or erasure of electronic recordings, except by lightning.
- (d) Due to wear and tear, gradual deterioration, vermin or inherent vice;
- (e) to property not specifically scheduled if such property cannot be replaced with other like kind and quality
- (f) to property held as samples or for sale or delivery after sales.

#### 6. SPECIAL CONDITIONS

- A. PROTECTION-It is a condition of this insurance that the "Valuable Papers and Records" insured hereunder shall be contained in the premises described on the "Declarations Page" and
  - (a) if the limit of liability is \$25,000 or less, be kept in metal filing cabinets at all times when not in use.;
  - (b) if the Limit of liability exceeds \$ 25,000, be kept fire resistive receptacles at all times when not in use.
- B. AUTOMATIC EXTENSION This insurance also applies while the "Valuable Papers and Records" are being conveyed outside the "Premises" and while temporarily within other "Premises" except for storage, provided the Insurers liability for such loss or damage shall not exceed whichever is least of ten percent of the total limit of liability provided hereunder, or \$5,000.
- C. REMOVAL - This insurance also applies while the "Valuable Papers and Records" are being removed to and while at a place of safety because of imminent danger of loss or damage and while being returned from such place, provided the insured gives written notice to the insurer of such removal within ten days thereafter.

#### 7. DEFINITIONS

Wherever used in this form:

- (a) "Valuable Papers and Records" means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, but does not mean "Money" or "Securities";
- (b) "Declarations Page" means the Declarations Page applicable to this Form.
- (c) "Premises" means the Interior of that portion of the building at the location described on the "Declarations Page" which is occupied by the Insured for the business purposes stated.
- (d) "Money" means currency, coins, bank notes and bullion; and travellers checks, register checks and money orders held for sale to the public.

- (e) "Securities" means all negotiable and non-negotiable instruments or contracts representing either "Money" or other property and included revenue and other stamps in current use, tokens and tickets but does not include "Money".

**CHFS**  
Special Risks Inc.  
**SPECIMEN**