

PHYSICIANS AND SURGEONS EQUIPMENT COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F - DEFINITIONS.

A. COVERAGE

We will pay for "loss" to Covered Property from any of the Covered Causes of Loss.

1. COVERED PROPERTY, as used in this Coverage Form, means:

a. Your medical and dental equipment, materials, supplies and books usual to the medical or dental profession.

At your option this form covers similar property of others used by you in your profession.

b. Your office equipment, including furniture and fixtures, while at your "premises."

c. Your interest in improvements and betterments meaning fixtures, alterations, installations or additions to the "premises" made at your expense but that you cannot legally remove.

This coverage only applies if you do not own the building in which your "premises" are located.

2. PROPERTY NOT COVERED

Covered Property does not include:

- a.** Radium; or
- b.** Contraband, or property in the course of illegal transportation or trade.

3. COVERED CAUSES OF LOSS

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL "LOSS" to Covered Property except those causes of "loss" listed in the Exclusions.

4. ADDITIONAL COVERAGE – COLLAPSE

We will pay for direct "loss" caused by or resulting from RISKS OF DIRECT PHYSICAL "LOSS" involving collapse of all or part of a building or structure caused by one or more of the following:

- a.** Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; breakage of glass; falling objects; weight of snow, ice or sleet; water damage; all only as covered in this Coverage Form;
- b.** Hidden decay;
- c.** Hidden insect or vermin damage;
- d.** Weight of people or personal property;
- e.** Weight of rain that collects on a roof;
- f.** Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

This Additional Coverage does not increase the Limits of Insurance provided in this Coverage Form.

5. COVERAGE EXTENSION

Theft Damage to Buildings

We will pay for damage caused directly by theft or attempted theft to:

- a.** That part of any building containing Covered Property; or
- b.** Equipment within the building used to maintain or service the building;

only if you own the building or are legally responsible for the damage.

But, we will not pay for damage:

- 1.** Caused by fire; or
- 2.** To glass or to lettering or art work on glass.

This Coverage Extension is included within the Limit of Insurance applicable to the Covered Property at the premises where the damage occurs.

B. EXCLUSIONS

1. 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 that contributes concurrently or in any sequence to the "loss."

a. GOVERNMENTAL ACTION

Seizure or destruction of property by order of governmental authority.

But 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 Form.

b. NUCLEAR HAZARD

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct "loss" caused by resulting fire if the fire would be covered under this Coverage Form.

c. WAR AND MILITARY ACTION

- (1) War, including undeclared or civil war;
- (2) 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
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for a "loss" caused by or resulting from any of the following:

a. Marring, scratching; exposure to light; breakage of tubes, bulbs, lamps or articles made largely of glass (except lenses).

But we will pay for such "loss" caused directly by fire, lightning, explosion, windstorm, earthquake, flood, vandalism, aircraft, rioters, strikers, theft or attempted theft, or by accident to the vehicle carrying the property, if these causes of "loss" would be covered under this Coverage Form.

b. Delay, loss of use, loss of market or any other consequential loss.

c. Processing or work upon the property.

But we will pay for direct "loss" caused by resulting fire or explosion, if these causes of "loss" would be covered under this Coverage Form.

d. Artificially generated current creating a short circuit or other electric disturbance within an article covered under this Coverage Form.

But we will pay for direct "loss" caused by resulting fire or explosion, if these causes of "loss" would be covered under this Coverage Form.

This exclusion only applies to "loss" to that article in which the disturbance occurs.

e. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

f. Unauthorized instructions to transfer property to any person or to any place.

3. We will not pay for a "loss" caused by or resulting from any of the following. But if "loss" by a Covered Cause of Loss results, we will pay for that resulting "loss."

a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the "loss."

b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Faulty, inadequate or defective:

(1) Planning, zoning, development, surveying, siting;

(2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(3) Materials used in repair, construction, renovation or remodeling; or

(4) Maintenance;

of part or all of any property wherever located.

d. Collapse except as provided in the Additional Coverage – Collapse section of this Coverage Form.

- e. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration; mechanical breakdown; insects, vermin, rodents; corrosion, rust, dampness, cold or heat.

C. LIMITS OF INSURANCE

The most we will pay for "loss" in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

D. DEDUCTIBLE

We will not pay for "loss" in any one occurrence until the amount of the adjusted "loss" before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted "loss" in excess of the Deductible, up to the applicable Limit of Insurance.

E. ADDITIONAL CONDITIONS

1. VALUATION

General Condition E. Valuation in the Commercial Inland Marine Conditions is replaced by the following:

a. Improvements and Betterments

- (1) The value of property will be determined as of the time of "loss" using the actual cash value of such property if it is repaired or replaced at your expense within a reasonable time after such "loss."

Otherwise, the value of property will be determined using the percentage of the original cost of that property that the proportion of time remaining on your current rental agreement bears to the period since the property has been installed until the expiration of such agreement.

- (2) We will not pay for property that is repaired or replaced at the expense of others for your benefit.

b. All property other than Improvements and Betterments.

The value of property will be the least of the following amounts:

- (1) The actual cash value of that property;
- (2) The cost of reasonably restoring that property to its condition immediately before "loss;" or

- (3) The cost of replacing that property with substantially identical property.

- 2. The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

a. COVERAGE TERRITORY

We cover property wherever located within:

- (1) The United States of America;
- (2) Puerto Rico; and
- (3) Canada.

b. COINSURANCE

All Covered Property, except property in transit, must be insured for at least 80% of its total value as of the time of "loss" or you will incur a penalty.

The penalty is that we will pay only the proportion of any "loss" that the Limit of Insurance shown in the Declarations for all Covered Property at all locations bears to 80% of the total value of all property at all locations as of the time of "loss." This penalty will not apply to property in transit.

c. PROTECTIVE SAFEGUARDS

You must maintain the protective safeguards stated by you to be in effect at a location when this coverage began.

If you fail to keep the protective safeguards:

- (1) In working condition at a location; and
- (2) In operation when you are closed to business;

coverage for which the protective safeguards apply is automatically suspended at that location. This suspension will last until equipment or services are back in operation.

F. DEFINITIONS

- 1. "Loss" means accidental loss or damage.
- 2. "Premises" means that portion of the building at the address stated in the Declarations that you occupy in the practice of your profession.