

# Museum

## (Exhibits Only)

Art Insurance Policy



redefining / art insurance

# INTRODUCTION

1. The policy, **schedule** and any **endorsements** form one document and together with the information **you** have provided form a contract between **you** and **us**;
2. **We** will insure **you** up to the amount shown in the **schedule** during the **period of insurance** for which **we** have accepted **your** premium, providing all the terms and conditions of the policy are complied with;
3. Any enquiry or complaint may be addressed to **us** (directly or through your intermediary). Please have details of the policy available, including **your** policy number, to enable the enquiry to be dealt with speedily;
4. If **you** are not satisfied with the handling of any complaint please follow the Disputes and Complaints Procedure on Page 12.

## NOTES

1. *This is a legal document and should be kept in a safe place.*
2. *Please read the policy, the **schedule** and any **endorsements** carefully. If they are not correct return them to **us** (directly or through **your** intermediary).*
3. ***You** must inform **us** immediately of any change of circumstance that may affect this insurance. If **you** do not, **your** policy may be invalid.*
4. *Any advice by **you** to **us** should be made either directly or through **your** intermediary.*
5. *Any agreement required from **us** must be in writing.*

## DEFINITIONS

Certain words in this policy have special meanings. These meanings are given below. To help **you** identify these words **we** have printed them in bold on the following pages. Words derived from the words defined below should be construed in accordance with these Definitions.

<b>Agreed Value</b>	The value of an <b>exhibit</b> agreed between <b>you</b> and <b>us</b> and set out in the <b>schedule</b> , for the purposes of this policy only. <b>We</b> make no representations that this is the value that the item would attain if sold. The <b>agreed value</b> should not be relied upon for any purpose except insurance with <b>us</b> .
<b>Associated Company</b>	A body corporate which is for the time being a member of the same group as <b>you</b> in accordance with the definition of "group" for the purposes of the Companies Acts and so that the term "subsidiary" shall also include a subsidiary undertaking.
<b>Damage</b>	Physical Damage.
<b>Data</b>	Information stored by or on a computer.
<b>Depreciation</b>	The reduction in value of an item solely and directly caused by <b>damage</b> to the item, calculated as a percentage of the value in accordance with the applicable Basis of Settlement.
<b>Exhibits</b>	A physical item or items of art, antiques or collectibles owned by <b>you</b> or in <b>your</b> custody, whether on display or not, as described in the Proposal Form or otherwise agreed to by <b>us</b> , excluding <b>jewellery</b> unless specifically agreed by <b>us</b> .
<b>Employee</b>	Any person for the time being employed by or working for <b>you</b> or any <b>associated company</b> , whether for reward or not, in respect of whom <b>you</b> are legally obliged to maintain Employer's Liability Insurance.
<b>Endorsement</b>	Any variation made to this policy and agreed by <b>us</b> in writing.
<b>Excess</b>	The amount for which <b>you</b> are responsible in respect of any <b>loss, damage</b> or claim.
<b>Fragile</b>	Items of a delicate, weak or brittle nature including but not limited to porcelain, glass and other ceramics, terracotta, marble, filigree or lacquer work.
<b>Inventory</b>	A physical inventory book and/or a centralised computer record; with a back up copy, no more than one month old, kept away from your <b>premises</b> .
<b>Jewellery</b>	Gemstones, pearls, watches or items of gold, silver or other precious or semi precious metals and/or articles comprising them.
<b>Loss</b>	Physical loss.

<b>Market Value</b>	The price which could reasonably be expected to be paid for an item by a willing buyer to a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.
<b>Period of Insurance</b>	The period shown in the <b>schedule</b> including any other contiguous periods for which <b>you</b> have agreed to pay premium and <b>we</b> have agreed to accept premium.
<b>Premises</b>	The permanent <b>business</b> addresses specified in the <b>schedule</b> , built of standard construction unless otherwise agreed by <b>us</b> , but not any outdoor part, outbuildings or the common parts of leased or rented premises, unless agreed by <b>us</b> .
<b>Safe</b>	A strong lockable cabinet constructed of reinforced steel specifically designed to protect items of high value from theft or unauthorised removal, made by a recognised specialist manufacturer, which is securely fixed to the wall or floor of the building within which it is contained.
<b>Schedule</b>	The document sent to <b>you</b> or <b>your</b> broker or agent when <b>we</b> accepted this insurance and any subsequent amendment, whichever is the most recent, showing <b>your</b> name and address, the amounts insured and <b>period of insurance</b> .
<b>Temporarily removed</b>	Away from <b>your premises</b> for a period not exceeding 60 days and within the territorial limits specified in the <b>schedule</b> but not including whilst in <b>transit</b> to or from or at fairs, shows or exhibitions unless specifically agreed by <b>us</b> .
<b>Terrorism</b>	Any act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.
<b>Transits</b>	Any shipping, consignment or sending of <b>exhibits</b> .
<b>Unattended</b>	Without a responsible adult occupant legally attending.
<b>Unoccupied</b>	A business address not staffed during normal working hours or a domestic dwelling, which has not been lived in within the preceding 30 days or not inspected twice a week.
<b>We or us or our</b>	AXA ART Insurance UK SE.
<b>You or your</b>	The Institution, Company, Trust, Association, person or persons shown in the <b>schedule</b> as the Insured.

# YOUR OBLIGATIONS TO US UNDER THIS POLICY

These obligations must be strictly observed by **you** at all times. Any breach, no matter how minor, entitles **us** not to pay any claim and/or not to continue cover.

## GENERAL

During the policy, **you** must:

1. maintain the sums insured at a level that represents the replacement value in accordance with the Basis of Settlement set out in this policy;
2. exercise due diligence and take all reasonable steps to prevent **losses** and to protect against **loss** or **damage**;
3. tell **us** of any change of circumstance that may affect this insurance. **You** will not be insured under this policy until we have agreed in writing to accept the change in circumstances. If you are not sure if any material change in circumstances is relevant, **you** should tell **us** about it and let **us** decide;
4. advise **us** if building work is to take place at your **premises** when the cost of the works exceeds GBP 10,000. **We** may require **you** to provide full details of the work to be undertaken and **you** must comply with any condition relating to prevention of **loss** or **damage** we may impose;
5. keep all property in good condition and repair;
6. comply with all current building and health and safety legislation and regulations;
7. check the accuracy of **your inventory** by making a physical **inventory** of **your exhibits** at least once a year and record the results in writing or electronic form;
8. allow **our** surveyor access to **your premises** on reasonable notice within normal office hours and comply with any measures required by **us** following a survey arranged by **us**.

## EXHIBIT RECORDS

### ITEMS OWNED BY YOU

**You** must complete an **inventory** in which individual details of all **exhibits** with a value in excess of GBP5,000 are recorded, including the value of each **exhibit**.

### ITEMS LENT BY OR TO YOU

**You** must issue a written loan agreement in respect of each item lent by or to **you** and must keep a central record of all loan agreements issued. The loan agreement shall include the value of the item, not to exceed the **market value** on the loan, agreed between the lender and **you**.

There is no cover under this policy for **exhibits** not recorded in **your inventory** or in a loan agreement issued by or to **you**.

## OPERATION OF PROTECTION AND SECURITY SYSTEMS

1. All intruder alarms and automatic fire detection systems must be in full and effective operation whenever **the premises** are left **unattended**, and must be in proper working order under a maintenance contract with the Installing Company or another qualified Installer.
2. All other protective devices must be maintained in complete working order.
3. Any keys, codes and combinations to the Intruder Alarm and any **safes** or strongrooms must be removed whenever the **premises** are closed or left **unattended**.
4. The Intruder Alarm shall not be regarded as effective if **you** have been notified that the connection to the central monitoring station or the Police response has been withdrawn or is not operational.
5. All fireproof doors and shutters must be kept closed except during working hours and be maintained in efficient working order.

6. Each external door must be kept locked even during opening hours unless such door is within the sight of at least one of **your** Directors, Partners or **employees** at all times.

## ASSIGNMENT

This Policy covers **you** and no benefit of it shall inure to any other party including but not limited to **your** customers. This Policy may not be assigned to or transferred to any other party without **our** prior written consent. Nothing in this insurance is intended to give any person any right to enforce any term of this insurance which that person would not have had but for the Contract (Rights of Third Parties) Act 1999.

## MAKING A CLAIM

1. Upon learning of any circumstances likely to give rise to a claim **you** must:
  - 1.1 tell **us** as soon as possible and then give **us** full details within 30 days of the incident together with any supporting evidence **we** may require, give **us** all the help and information that **we** may require and allow **us** to enter and inspect **your premises**, inventory, books, records and copies of consignment notes, on reasonable notice within normal office hours whenever **we** request;
  - 1.2 immediately tell the police if **you** suspect there has been a crime and obtain a written crime report where a report has been taken;
  - 1.3 immediately notify, in writing, the carrier of **loss** or **damage** in **transit** and endeavour to obtain a written acknowledgement;
  - 1.4 immediately send **us**, without replying to it, any summons or other communication **you** receive in connection with any incident that may give rise to a claim under this policy. **You** must not admit, deny, negotiate or pay a claim or liability without **our** written consent. **We** are entitled, but not obliged, to take over and deal with, in **your** name, the defence or settlement of any claim.
2. **We** are entitled to take the benefit of **your** rights against another person before or after **we** have paid a claim, and **we** may take proceedings in **your** name, but at **our** expense, to recover for **our** benefit the amount of any payment made under this insurance.
3. Where **we** have paid **you** the full or **agreed value** of a **damaged** item **we** are entitled (but not obliged) to take possession and ownership of that item. So **you** must not dispose of it until **you** have **our** permission to do so. No property may be abandoned to **us**.
4. If **you** or anyone acting for **you** have not disclosed or have misrepresented any fact or circumstance which might affect **our** decision to provide insurance or the terms of that insurance, or **you** or anyone acting for **you** makes a claim under the policy knowing the claim to be false or provides false information in connection with any claim, **we** can refuse to pay any claim and/or **we** can treat the insurance as void.
5. **You** must not incur any legal or associated costs without **our** express written consent to all items of such costs, and **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 under paragraph 1.4. 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 it, **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.

6. In the event of a claim being made under this policy, **we** will not settle a claim in full or in part until all outstanding premiums have been paid.

### **DATA PROTECTION**

Any information that **you** provide to **us** will be processed in compliance with the Data Protection Act 1998. **We** may store, use and process your personal information in order to administer **your** policy and provide **you** with **our** services. It may be necessary to pass information on to third parties in order to provide insurance, handle claims, for fraud prevention and the provision of premium financing. **We** may undertake the above within or outside the United Kingdom and the European Union.

### **CANCELLATION**

**You** have the right to cancel the policy at any time by giving **us** notice in writing by recorded delivery or registered letter. If **you** cancel, **you** should write to **us** at Marlow House, 1A Lloyd's Avenue, London, EC3N 3AA. **We** also have the right to cancel the policy at any time but must give **you** 14 days notice. If **we** cancel, **we** will write to **your** last known address by recorded delivery or registered letter. Upon cancellation, **you** shall be entitled to a return premium proportionate to the unexpired part of the **period of insurance** providing no claim has been submitted.

### **NON PAYMENT OF PREMIUM**

**We** reserve the right to cancel this policy with effect from its inception in the event of non payment of the premium, or if **you** are paying by instalments the date when the last instalment was due.

### **GOVERNING LAW**

By Law, **you** and **we** are free to choose the law applicable to **your** insurance contract with **us**. In the absence of any written agreement to the contrary, this Policy shall be governed by and interpreted in accordance with English Law and shall be subject to the exclusive jurisdiction of the English Courts.



# WHAT IS INSURED (THE COVER)

**You** are insured against **loss** or **damage** to **exhibits** whilst at **your premises** and whilst **temporarily removed** therefrom as specified in and up to the sums insured in the **schedule**.

**You** are also insured for:

## External Exhibitions

- **Exhibits** at exhibitions away from **your premises** but only for specific exhibitions as specified in and up to the sums insured in the **schedule** or an **endorsement** to it.

## TRANSITS

The following provisions apply to **exhibits** having a total combined value (calculated in accordance with the basis of settlement) in excess of GBP 10,000:

1. **Transits** by air must:
  - either be transported by **you** or **your employee** as hand baggage and at all times be kept in **your** actual, personal and vigilant possession;
  - or be shipped as air cargo, with special security handling by the airline;
2. **Transits** by road must:
  - either be transported by **you** or **your employee** out of sight in a vehicle under **your** or **your employee's** control. All parts of the vehicle must be kept locked;
  - or be transported by a professional Fine Art carrier;
3. Any **transit** not by air or road, other than on a ferry incidental to a road transit, is not covered by this Policy unless **you** have **our** prior agreement.

All **exhibits**, of any value, must be adequately packed and secured having regard to the nature of the **exhibits** and the circumstances of the **transit**.

## WAR

**You** are also insured for War risks to **exhibits** in **transit** but only to the extent that such cover is given under the Institute of London Underwriters (International Underwriting Association) War Clauses CL 255, CL 257 and CL 258 and subject to the cancellation provision in CL 271. Copies of these clauses are available on request.

## BASIS OF SETTLEMENT

1. In the event of an **exhibit** being **lost** or **damaged** forming a valid claim under this policy, **we** will pay no more than:
  - 1.1 If an item is **damaged**:
    - 1.1.1 the cost of restoration plus
    - 1.1.2 any **depreciation** of the item ;
  - 1.2 If an item is **lost** or **damaged** beyond economic repair
    - 1.2.1 In respect of **exhibits** owned by **you**, the sum insured or the **market value**, immediately prior to loss of that item, whichever is the lesser; unless **we** have agreed an **agreed value** for that item in which case **we** will pay no more than the **agreed value**;



- 1.2.2 In respect of **exhibits** lent to **you**, the value stated on the loan agreement or **your** liability to the owner, whichever is the lesser.
2. **We** shall never pay more than the amount insured specified in the **schedule**.
  3. In the event of **loss** or **damage** to an **exhibit** which is subsequently found to be a fake, forgery or misattribution, **our** liability shall not exceed the lesser of actual **market value** of such **exhibit** immediately prior to the **loss** or **damage** or the sum insured and **you** shall refund to **us** any higher amount paid by **us** to **you** in settlement of **your** claim.
  4. **You** shall have the right to repurchase from **us** any **exhibit** that is recovered for which **we** have paid a claim either:
    - 4.1 within one year of the date of **loss** at the amount of the settled claim, plus expenses incurred by **us** in handling the claim and recovery;
    - 4.2 or, thereafter, at the **market value** at the time of recovery.**You** must exercise such right within 30 days of **us** offering the **exhibit** to **you**.

# WHAT IS NOT INSURED (EXCLUSIONS)

Whilst **we** aim to make **our** policy comprehensive, there are certain things **we** cannot insure.

This insurance does not cover:

1. **Loss, damage**, liability or expense caused by or resulting from:
  - 1.1 inherent vice, latent defect, wear and tear, nature of the subject-matter insured, gradual deterioration, insects, vermin, rust, corrosion, rot, mould, mildew, fungus or fungal attack, atmospheric or climatic conditions, or the action of light;
  - 1.2 any process of heating, drying, cleaning, washing, dyeing, alteration, repair, restoration, maintenance, dismantling, decoration;
  - 1.3 misuse or mechanical or electrical breakdown or derangement;
  - 1.4 faulty or inadequate construction, design or workmanship or the use of faulty materials;
  - 1.5 confiscation, requisition, detention or destruction by or by order of any government, public or local authority or agency of them;
  - 1.6 war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military or usurped power, except while in **transit**;
  - 1.7 **your** own wilful or deliberate act or omission or that of any **associated company** or **employee**;
  - 1.8 clerical or accounting errors or omissions;
  - 1.9 any **loss** or **damage** occurring or expense incurred before the **period of insurance**;
  - 1.10 escape of water from any fixed water or heating installation, or from any fixed water tanks, apparatus or pipes unless **you** keep the relevant **premises** heated to a temperature of at least 5 degrees Celsius or shut off and drain the fixed water tanks, apparatus and pipes;
  - 1.11 corruption, magnetic or electrical damage, disturbance or distortion to **data**;
  - 1.12 lack of title, or defective title, on the part of any past, present and/or future purported owner,
  - 1.13 theft, fraud or dishonesty committed or connived at by
    - any of **your** directors, trustees, partners, **employees** or agents;
    - anyone to whom **exhibits** are directly or indirectly entrusted or loaned unless such **loss** or **damage** arises when such **exhibits** are deposited for safe custody only.
2. **Loss, damage** or expense, or liability arising out of **loss, damage** or expense, which is directly or indirectly caused by or contributed to by or arising from:
  - 2.1 ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
  - 2.2 the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component;
  - 2.3 **terrorism**, if not specifically endorsed hereon;  
*(Note: **terrorism** cover is available in respect of **your UK premises** but must be specifically requested at the time **you** apply for this insurance and at each renewal of the policy).*
  - 2.4 in Northern Ireland, civil commotion;
  - 2.5 toxic mould;
  - 2.6 pollution or contamination unless caused by a sudden, identifiable unintended or unforeseen accident, and the accident causing the pollution or contamination:
    - 2.6.1 is reported to **us** immediately or as soon as reasonably possible, and
    - 2.6.2 occurs during the **period of insurance**.

All pollution or contamination arising from one accident shall be deemed to have occurred at the time the accident takes place.

3. **Loss** or **damage** or expense if the location where the **loss, damage** or expense occurs is:
  - 3.1 left **unoccupied**;
  - 3.2 undergoing demolition, structural alteration, structural repair or extension unless **we** agree with **you** in writing.
  
4. **Loss** or **damage** to **exhibits**
  - 4.1 at a hotel, motel or lodging house unless the **exhibit** is kept in a locked **safe** or when in the actual and personal possession of **you** or **your employee** or agent;
  - 4.2 sent by post unless sent by Registered post, provided always that a receipt has been obtained;
  - 4.3 which is revealed only by or on routine inspection or the taking of an **inventory** or periodic stocktaking;
  - 4.4 in **transit** unless such **exhibit** is securely and adequately packed so as to withstand the normal hazards of such **transit** considering the nature and fragility of the item;
  - 4.5 entrusted to **you** for safe custody only;
  - 4.6 resulting from theft or attempted theft of or from any **unattended** road vehicle, unless such vehicle is contained within a secure compound with a fully operational alarm system. This exclusion does not apply to vehicles under the control of professional fine art carriers.
  
5. Any claim which but for the existence of this insurance would have been compensated under any other policy.
  
6. The cost of routine maintenance or redecoration.
  
7. **Loss** or **damage** to or legal liability, directly or indirectly arising from any computer or other equipment, **data** processing service product, microchip, micro processor, integrated circuit, embedded chip or similar device, computer software programme or process, or any other electrical or electronic system, directly or indirectly caused by computer viruses or failure to recognise, interpret or process any date as its true calendar date or to continue to function beyond that date.
  
8. Consequential loss (being additional **loss, damage**, cost, expense or other financial liability occurring or being incurred as a result of but after the occurrence of the event insured against).
  
9. The amount of any **excess** shown in the **schedule**.
  
10. Any expenses incurred in preparing a claim.
  
11. **Loss, damage**, cost or expense of whatsoever nature to the extent that the provision of cover, payment of claim or provision of benefit would expose **us** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

## DISPUTES PROCEDURE

If **we** admit liability to **you** under the policy but any dispute or difference arises between **you** and **us** about the amount **we** should pay **you**, including a dispute or difference as to whether an item is **damaged** beyond economic repair, any such dispute or difference must be determined by the arbitration of a single arbitrator to be agreed between **you** and **us** or failing agreement within 14 days after **you** or **we** have given to the other a written request to concur in the appointment of an arbitrator, by an arbitrator to be appointed by the President or Vice President of the Chartered Institute of Arbitrators. **You** may not take legal action against **us** over a dispute before the arbitrator has made an award.

## COMPLAINTS PROCEDURE

Any enquiry or complaint **you** may have regarding **your** policy, or a claim notified under **your** policy may be addressed to **us**. Please have details of the policy, including **your** policy number, available to enable the enquiry to be dealt with speedily. Details of **our** internal complaints procedure are available on request.

Should **you** remain dissatisfied short of legal action, **you** may be able to refer your case to the Financial Ombudsman Service (FOS), an independent body that arbitrates on complaints about general insurance products. It will only consider complaints after **we** have provided **you** with written confirmation that **our** internal complaints procedure has been exhausted. This step will be open to businesses with an annual turnover of up to 2 million euros and fewer than ten staff. Please note that **you** have 6 months from the date of **our** final response in which to refer **your** complaint to the Ombudsman.

The FOS can be contacted at:

Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR

Telephone: 0800 023 4567 or 0300 123 9123

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

Website: <http://www.financial-ombudsman.org.uk>

Referral to the FOS will not affect **your** right to take legal action against **us**.

## AXA ART Insurance UK SE

### UK Branch Office:

Marlow House  
1A Lloyd's Avenue  
London EC3N 3AA  
Telephone 020 3217 1200  
Email [info@axa-art.co.uk](mailto:info@axa-art.co.uk)  
Website: [www.axa-art.co.uk](http://www.axa-art.co.uk)

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