

MOTION PICTURE / TELEVISION PRODUCERS PORTFOLIO  
CONDITIONS APPLICABLE TO ALL SECTIONS

**I. GENERAL CONDITIONS**

Throughout this policy, "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.

a. Territory

This policy applies anywhere in the world.

b. Misrepresentation and Fraud

This policy is void if you knowingly concealed or misrepresented any material fact or circumstances concerning this insurance, or in the case of any fraud or false swearing by you, whether before or after a loss. If you make any false or fraudulent claim as to amount or otherwise, this policy is void as to that specific claim and we have the right to terminate this policy at that time and any subsequent claims by you are forfeited.

c. Assignment

This policy may not be assigned or transferred without our written consent.

d. Action Against Us

No action against us may be brought unless you have complied with all of the provisions of this policy and the action is started within one (1) year after the occurrence causing the loss or damage.

Nothing in this policy gives any person or organization any right to join us as a codefendant in any action against you to determine your liability.

e. Access To Records And Examination Under Oath

We or our nominees, at all times during the policy period or while a claim is pending, at such reasonable times and places as may be designated by us or our representatives, shall have access to all of your accounts, book of accounts, contracts, invoices and records, or certified copies of such if the originals are lost, relating to all insured operations and property.

You shall submit as often as may be reasonably required, and so far as within your power, cause all other persons and their employees interested in such operations and property to submit to examination under oath by a person named by us relative to any and all matters in connection with a claim, at such reasonable times and places as may be designated by us or our representatives. You agree to do everything within reason to comply with the foregoing.

No such examination under oath or examination of books or documents, nor any other act by us or any of our employees or representatives in connection with the investigation of any loss or claim hereunder, shall be deemed a waiver of any defense which we might otherwise have with respect to any loss or claim, but all such examinations and acts shall be deemed to have been made or done without prejudice to our liability.

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f. Other Insurance

If at the time of loss or damage any other insurance is available which would apply to the property in the absence of this policy, the insurance provided by this policy shall apply as excess insurance over the other insurance.

g. Subrogation

In the event of loss which we believe may be collectible from others, we may pay in the form of a loan to be repaid out of any recoveries from others. You will execute all papers required and cooperate in every way possible to assist in such recovery from others and we shall, at our expense, take over your rights against others to the extent of our payment.

h. Loss Procedure

In case of a loss to which this insurance may apply, you shall see that the following duties are performed:

- (1) Protection of Property - Protect the property from further loss and take all steps possible to minimize the loss. If expenses are incurred in doing so, they shall be borne by you and us proportionate to our respective interests, consistent with your use of due diligence.
- (2) Notice of Loss - Report immediately to us or our authorized representative any loss or damage which may become a claim under this policy.
- (3) Proof of Loss - File with us, or our authorized representative, a detailed proof of loss signed and sworn to by you setting forth to the best of your knowledge and belief the facts of the loss and the amount thereof within one hundred eighty (180) days after discovery of the loss.

i. Cancellation

You may cancel this policy by returning it to us or our authorized representative in writing stating the future date you want it to be canceled.

We may cancel this policy by written notice to you at the address shown in this policy or last known address. The cancellation will be effective as of the date shown on the Cancellation Notice, but not less than thirty (30) days after mailing to the address in this policy or last known address. The mailing of notice is sufficient proof of notice of cancellation. Delivery of notice shall be equivalent to mailing.

If we cancel for nonpayment of premium, written notice to you will be ten (10) days.

If you cancel, earned premium shall be computed with the customary short rate table and procedure. If we cancel, earned premium shall be computed pro-rata.

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Premium adjustment will be made as soon as practicable after cancellation, but if premium refunds are not tendered at the time notice of cancellation is given, the validity of such notice is not affected.

j. Abandonment

There can be no abandonment of any property to us without our written consent.

k. Stop Date Loss

If as a result of delay in completing the original shooting schedule of an insured production you incur a loss in order to honor the termination date contained in a performance contract between you and any other person or organizations, such loss (hereinafter referred to as stop date loss) would not be covered by the provisions of this policy, but this policy will, nonetheless, participate in a stop date loss to the extent that the need to incur such loss is directly related to a loss insured under the terms of this policy. The extent of our participation in a stop date loss will be governed by the proper consideration of the following factors:

- (1) If the need to incur the stop date loss is solely and directly the result of an insured loss, the stop date loss will be recoverable in full.
- (2) If the need to incur the stop date loss arises in part by reason of an insured loss and also arises in part by reason of an uninsured occurrence so that it can reasonably be said that each contributed to the incurrence of the stop date loss, then the extent that each so contributed shall be determined and an apportionment of the stop date loss shall be made.
- (3) If the need to incur the stop date loss is in no way connected with an insured loss, no part of the stop date loss will be recoverable.
- (4) Coverage afforded by this paragraph is subject to the proviso that the performance contract term was sufficiently longer than your original scheduled time for completion of the insured production so as to allow a reasonable margin of safety to cover possible delay in completing the insured production.

l. Appraisal

If you and we fail to agree on the amount of loss, either one can demand that the amount of loss be set by appraisal. Each party shall select a competent, independent appraiser and notify the other of the appraiser's identity within twenty (20) days of receipt of the written demand. The two appraisers shall then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within fifteen (15) days, you or we can ask a judge of a court of record in the state of your residence to select an umpire. The appraisers shall then submit a written report of an agreement to us and the amount agreed upon shall be the amount of the loss. If the appraisers fail to agree within a reasonable time, they shall submit their difference to the umpire. Written agreement signed by any two of these three shall set the amount of the loss. Each appraiser shall be paid by the party selecting that appraiser. Other expenses of the appraisers and the compensation of the umpire shall be paid equally by you and us.

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m. Policy Changes

No changes may be made in this policy except by us in writing.

n. 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.

o. Due Diligence Clause

You shall use due diligence and do and concur in doing all things reasonably practicable to avoid or diminish any loss or any circumstance likely to give rise to a loss or claim insured under this policy. It is agreed that this policy extends to indemnify you for your ascertained net loss of additional incurred expenses and/or increased costs necessarily incurred by you to avoid or diminish any such loss or claim, subject to any deductible provision stated in the Declarations page, provided, however, that in no circumstances shall our maximum liability under this policy be greater than the sum insured as declared, or that which would have been incurred had you not incurred said increased costs and/or additional out-of-pocket expenses, or in any event exceed the limits of liability of this policy.

p. Inadvertent Error Clause

You shall not be prejudiced by an unintentional or inadvertent omission, error or incorrect description of the property insured hereunder, provided notice be given to us and corrections be made as soon as practicable after discovery of any such error or omission.

q. Inspection

We shall be permitted but not obligated to inspect your property and operations at any time. Neither our right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of you or others and same shall not commit or obligate us in any manner whatsoever.

r. Insurance Not to Benefit Others

No person or organization having custody of the property and to be paid for services shall benefit from this insurance.

s. Loss Payment

Loss, if any, shall be payable to you or your loss payee.

We agree that any holder of a Certificate of Insurance issued by us or on our behalf shall be considered a Loss Payee, subject to your legal liability.

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Unless a claim has been paid by others, all adjusted claims shall be paid or made good to you within thirty (30) days after presentation and acceptance of satisfactory proof of interest and loss to our office, or after we reach agreement with you, or after entry of a final judgment, or after the filing of an appraisal award with us. No loss shall be paid or be made good if you have collected the same from others.

t. Premises Protection

It is a condition of this insurance that you shall maintain such protective safeguards as were represented by you to be in effect at the time of the attachment of this insurance. Failure to maintain or engage such protective safeguards shall void this coverage to the extent of any loss resulting from or contributed to by the lack of such protective safeguards.

u. Property of Others

We may adjust any claim directly with the owner of the covered property.

v. Liberalization Clause

If we adopt any revision which would broaden the coverage under this policy without additional premium within 60 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

w. Mobile Equipment

Means any of the following types of land vehicles, including any attached machinery or equipment:

- (1) Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- (2) Vehicles that travel on crawler treads;
- (3) Vehicles loaned or leased to the insured, used or to be used in connection with an insured production
- (4) Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted equipment, or maintained primarily for purposes other than the transportation of persons or cargo.

## II. SPECIAL CONDITIONS

a. Definition of Insurable Production Cost

The term "Insurable Production Cost" as used in this Policy shall mean all costs, including overhead, chargeable directly to an insured production or series of productions including any amount of other overhead as may be declared by you at the time of declaration of an insured production or series of productions, except that the following costs shall not be included:

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story; scenario; music rights; sound rights; royalties; residuals; continuity; premiums paid for this insurance; interest on loans; and personal and real property taxes.

However, you may, if you so elect at the time of declaration, specifically declare and thereby include any of these costs arising solely and directly as a result of an insured loss, and in this event the cost of the items shall be included in the Insurable Production Cost.

In the event of a loss paid under this policy the amount of that loss shall be included in the determination of the Insurable Production Cost. This does not apply where premium is based on an episodic charge.

b. Determination of Premium

- (1) The premium shall be determined in accordance with the rating schedule (s) attached to and made a part of this policy.
- (2) You shall advise us of the exact date of termination of principal photography of an insured production within seven (7) days of that termination date.
- (3) The actual premium earned by this policy shall be calculated by applying the rates set forth in the rating schedule to the final Insurable Production Cost.
- (4) You may, at your sole discretion, suspend or abandon an insured production at any time upon written notice to us.
  - i) In the event suspension of principal photography is specified, then the insurance afforded by this policy shall remain in effect and principal photography of the insured production shall be deemed to be continuing for the purpose of determining the amount of premium due. Principal photography shall only be deemed completed if you have notified us within seven (7) days of the date that principal photography was discontinued.
  - ii) Permission is granted to you to abandon the production during the suspension period.
  - iii) Coverage shall cease 30 days from the abandonment date declared to us, or the expiration date of this policy, whichever is first.
- (5) In the event that principal photography has not been completed by the estimated completion date stated on the Declarations page, the insurance afforded under this Policy shall automatically be extended until completion of principal photography, or until the policy expires, whichever occurs first, subject to the payment of premium as set forth in the rating schedule attached to and made a part of this Policy.

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c. Abandonment

Should a covered loss result in an abandonment, during the term of coverage, under any Section of this policy, we have the right to require that you surrender all owned or licensed rights, titles and interests in all documents, underlying works, copyrights and all related material of the insured production. Your agreement to surrender these rights cannot be unreasonably withheld.

We agree to increase the policy limits on the applicable coverage by the amount actually incurred for all owned or licensed rights, titles and interests in all documents, underlying works, copyrights and all related material of the insured production. As consideration for the increased limits, a premium charge may be assessed at our discretion based on the rate charged for the original policy against the value of the rights obtained.

d. Duty to Declare

Prior to the commencement of filming or taping you shall declare to us each production, including any increase in the number of episodes of a series of television productions over and above the number originally declared, that you undertake during the term of this policy.

### III. EXCLUSIONS

This policy does not insure against loss or damage caused directly or indirectly by:

- a. seizure or destruction under quarantine or Customs Regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation of trade;
- b. hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack by:
  - (1) any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces;
  - (2) military, naval or air forces;
  - (3) an agent of any such government, power, authority or forces.
- c. any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
- d. insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence;
- e. nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril or perils insured in this policy; however, subject to the foregoing and all provisions of this policy, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is covered.

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- f. dishonest acts by you, or your employees or agents, whether or not occurring during the hours of employment;
- g. any uninsured event occurring before, concurrently with or after the happening of an insured event, which directly or indirectly causes or in any way contributes to cause or increase a loss under this policy; but only with respect to that portion of any such loss caused by or contributed to by the uninsured event.

SPECIMEN

MOTION PICTURE / TELEVISION PRODUCERS PORTFOLIO  
SECTION I – CAST

**I. INSURING AGREEMENT**

We agree to pay to you such loss (as defined in Paragraph VI.) as you shall directly and solely sustain by reason of any covered person in connection with an insured production, being necessarily prevented by their death, injury or sickness, occurring during the term of the insurance afforded by this Section, from commencing or continuing or completing their respective duties or performance(s) in an insured production.

**II. LIMITS OF LIABILITY**

Our limit of liability with respect to any one loss (as defined in Paragraph VI.) shall not exceed the limit of liability stated on the Declarations page for Cast coverage.

**III. DEDUCTIBLE**

The sum stated on the Declarations page as the deductible for Cast coverage shall be deducted from each adjusted claim hereunder.

**IV. TERM OF COVERAGE**

- a. Coverage commences on the effective date as shown on the Declarations page, and shall continue for the period of principal photography or videotaping which is defined as the continuing period of time from the start date to the completion date you actually require to photograph or tape an insured production, or the expiration date of the policy, whichever occurs first.
- b. Permission is granted to you to declare a starting date of principal photography at any time within the term of the policy, provided we are given notice.
- c. Notwithstanding (a) or (b) above and subject to Paragraph V. below, coverage is provided under this Section for the period commencing thirty (30) days immediately preceding the commencement of principal photography which for the purpose of this Section is defined as the "Pre-Production" period of the Cast coverage. However, the Pre-Production period for guest artists (as defined) appearing in, or contracted to appear in, episodic television will be five (5) days or less prior to the actual start date of principal photography or videotaping of the insured production.
- d. In the event that we have provided Pre-Production insurance and Cast insurance in respect to the same insured production, we shall interpret and apply both coverages to the extent reasonably consistent with the language of each coverage to provide the maximum possible recovery to you.

**V. MEDICAL EXAMINATION**

- a. The covered person(s), listed on the declaring endorsement issued in connection with an insured production must be examined not more than thirty (30) days prior to the start date of the covered person(s) by a duly qualified physician, designated or approved by us, who shall submit to us a medical questionnaire and certificate on forms approved by us and signed by the examinee.

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- b. Coverage shall commence on the date the medical examination has been made and is subject to our receipt and approval of a medical certificate within a reasonable period of time. It is understood that our right of approval shall be based on the medical examination and case history of the person(s) examined. Should we for any reason make any reservation, exception or restriction with respect to the insurability of the covered person(s), the provisions of Paragraph I. are inapplicable to the extent that the condition(s) referred to in the reservation, exception, or restriction directly or indirectly results in a loss.
- c. We agree that you have the right to use any registered medical doctor (other than the covered person's personal physician) if the doctors listed on the panel of doctors provided by us are unavailable to you for completion of a medical examination.
- d. As respects episodic television, we do not require a medical certificate for guest artists. Guest artist, as used in this Section, shall mean any performer or director contracted for less than three (3) consecutive episodes or less than fifty percent (50%) of a series of productions.

**VI. DEFINITION OF LOSS**

- a. Loss, as used in this Section, shall mean any extra expenditure (as defined in Insurable Production Cost) you incur in completing principal photography of an insured production over and above the expenditure which, but for the happening of any one or more of the occurrences specified in Paragraph I. would have been incurred in completing said principal photography.
- b. In the event that the happening of one or more of the occurrences specified in Paragraph I. reasonably, practically and necessarily prevents the completion of principal photography of an insured production irrespective of any completion or delivery date requirements, you shall have the right to abandon principal photography and claim under this Section for such actual expenditures you incur in an insured production as have been rendered entirely valueless solely and directly by reason of the happening of one or more of the occurrences specified in Paragraph I., subject to the Special Conditions of this policy.

**VII. EXCLUSIONS**

This coverage does not insure against loss caused by or resulting from:

- a. Any person(s) accepted for insurance under this Section taking part in flying other than as a passenger;
- b. Any person(s) taking part in any hazardous stunt(s) without our written consent;
- c. The inability of any female to continue her performance because of pregnancy or menstruation, or conditions pertaining thereto;
- d. Any person(s) over sixty five (65) years of age unless such person(s) is specifically named by endorsement hereon;

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SECTION I - CAST

- e. Any person(s) under nine (9) years of age for loss (as defined in Paragraph VI.) either directly or indirectly contributed to or caused by mumps, chicken pox, measles, rubella, whooping cough, scarlet fever, tonsillitis or diphtheria.

**VIII. SPECIAL LOSS PROCEDURE**

- a. You shall notify us immediately after you are made aware of the fact of any covered person being unable to commence, continue or complete his or her respective duties or performances as a result of which a claim could arise.
- b. You shall procure and immediately forward to us the certificate of a duly qualified physician which shall detail fully the circumstances in which the incapacity arises, and ensure and preserve our continuing right of access to any covered person's medical records.
- c. You shall use your best efforts to ensure and preserve our continuing right to have our own appointed medical doctor examine any covered person.
- d. Your failure to comply with any of the conditions set forth herein will prejudice us and your failure to comply shall release us from any specified claim in connection with which you have so failed to comply with any of said conditions.

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SECTION II, COVERAGE A. – PROPS, SETS, AND WARDROBE

**I. INSURING AGREEMENT**

We agree to pay to you or on your behalf the value of scenery, costumes and theatrical props and related equipment, not including loss of use, owned by you or which is the property of others used by you and for which you are legally liable and which is lost, damaged or destroyed, caused by the Perils Insured against, while such property is used by you in connection with an insured production.

**II. LIMITS OF LIABILITY**

Our limit of liability with respect to any one loss shall not exceed the limit of liability stated on the Declarations page for Props, Sets & Wardrobe coverage; however, with respect to antiques, objects of art, furs, watches, pearls, precious and semiprecious stones, gold, silver, platinum and other precious metals or alloys, including jewelry containing any such items, we shall not be liable for more than ten thousand dollars (\$10,000.00) with respect to any one loss.

**III. DEDUCTIBLE**

The sum stated on the Declarations page as the deductible for Props, Sets & Wardrobe coverage shall be deducted from each adjusted claim hereunder.

**IV. TERM OF COVERAGE**

The insurance afforded under this Coverage shall be for a period starting thirty (30) days prior to the start of principal photography stated in Item 4. on the Declarations page, and continue until thirty (30) days following completion of principal photography.

**V. PERILS INSURED**

This Coverage insures against all risks of direct physical loss or damage to the property covered from any external cause, except as hereinafter excluded.

**VI. PERILS NOT INSURED**

This Coverage does not insure against loss or damage caused by or resulting from:

- a. Wear and tear; any quality in the property that causes it to damage or destroy itself; hidden or latent defect; gradual deterioration; depreciation; insects; vermin, or rodents; corrosion, rust, dampness, cold or heat;
- b. Any work, process, experimentation, tests, repairing, restoration, conversion, or partial conversion, retouching, painting, cleaning or any other form of process performed or undertaken by you or on your behalf or at your direction, unless accidental fire or explosion ensues and then only for the loss or damage caused by such ensuing fire or explosion;
- c. Unexplained or mysterious disappearance or shortage found upon taking of inventory;

- d. Rain, sleet, snow or hail, whether driven by wind or not, to property stored in the open;
- e. Any electrical injury or disturbance to electrical appliances, devices, fixtures or wiring caused by electrical currents artificially generated, within the property or facilities you use in connection with production, unless fire ensues and then our liability shall be limited to that portion of the loss caused by such ensuing fire;
- f. Damage to or destruction of property caused intentionally by you or at your direction;
- g. Loss, destruction or damage caused by or resulting from delay, loss of market or use, interruption of business or other consequential loss extending beyond direct physical loss or damage;
- h. Mechanical breakdown or derangement unless caused by a peril not otherwise excluded.

## **VII. PROPERTY EXCLUDED**

This Coverage does not insure:

- a. Personal Property which would normally be covered under Section II, Coverage D. – Miscellaneous Equipment of this policy;
- b. Animals, unless endorsed hereon;
- c. Growing plants, unless used as part of a theatrical set;
- d. Accounts; bills; currency, numismatic properties or money; notes; securities; stamps; deeds; evidences of debt; letters of credit; credit cards; passports; railroad, airline or other tickets;
- e. Buildings including, but not limited to improvements and betterments;
- f. Furniture and fixtures which are not used or intended to be used as part of a theatrical set;
- g. Aircraft used for any purpose other than as part of a theatrical set in which it is used strictly as a non-functional craft during filming or taping;
- h. Watercraft valued over \$5,000 while waterborne unless moored to a pier, dock, wharf or similar fixed structure and used or intended to be used as part of a theatrical set;
- i. Motorcycles, motor vehicles, or other conveyances except when used as part of a theatrical set and not being self-propelled during filming or taping;
- j. Film, tape, recording or recording storage medium of any type unless used as a prop on a theatrical set.

## VIII. VALUATION

The basis of determining the value of the property insured hereunder, except with respect to vehicles, shall be as follows:

- a. Your property shall be valued at the full cost of repair or replacement, without deduction for depreciation or betterment, if repaired or replaced with due diligence and dispatch, and in no event, unless repair or replacement is completed within one year from the date of loss. If not repaired or replaced, the property shall be valued at its actual cash value at the time and the place of loss.
- b. Property of others for which you are legally liable, either by contract or mutual agreement, shall be valued at common market value, in accord with contractual conditions or as you are obligated to pay by common law.
- c. Vehicles shall be valued at actual cash value as of the date and location of loss.

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SECTION II, COVERAGE B. – EXTRA EXPENSE

**I. INSURING AGREEMENT**

We agree to pay to you such loss (defined in Paragraph VII.), not including loss of earnings or profit, as you shall sustain by reason of such extra expense as you necessarily incur in the event of the interruption, postponement or cancellation of an insured production as a direct result of damage to or destruction of property or facilities caused by the perils insured against, used by you in connection with an insured production and occurring during the term of coverage (as defined in Paragraph IV.).

**II. LIMITS OF LIABILITY**

Our limit of liability with respect to any one occurrence shall not exceed the limit of liability stated on the Declarations page for Extra Expense coverage.

**III. DEDUCTIBLE**

The sum stated on the Declarations page as the deductible for Extra Expense coverage shall be deducted from each adjusted claim hereunder.

**IV. TERM OF COVERAGE**

The insurance afforded under this Coverage shall be for a period starting thirty (30) days prior to the start of principal photography stated in Item 4. on the Declarations page, and continue until the completion of principal photography.

**V. PERILS INSURED**

- a. This Coverage insures against all risks of direct physical loss or damage to the property covered from any external cause, except as hereinafter excluded.
- b. This Coverage insures against verifiable breakdown or malfunction of generators, camera equipment, or computerized systems used to control cameras.

**VI. PERILS NOT INSURED**

This Coverage does not insure against loss or damage caused by or resulting from:

- a. Wear and tear; any quality in the property that causes it to damage or destroy itself; hidden or latent defect; gradual deterioration; depreciation; mechanical breakdown; insects; vermin, or rodents; corrosion, rust, dampness, cold or heat;
- b. Any work, process, experimentation, tests, repairing, restoration, conversion, or partial conversion, retouching, painting, cleaning or any other form of process performed or undertaken by you or on your behalf or at your direction, unless accidental fire or explosion ensues and then only for the loss or damage caused by such ensuing fire or explosion;

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- c. Unexplained or mysterious disappearance or shortage found upon taking of inventory;
- d. Rain, sleet, snow or hail, whether driven by wind or not, to property stored in the open;
- e. Any electrical injury or disturbance to electrical appliances, devices, fixtures or wiring caused by electrical currents artificially generated, within the property or facilities you use in connection with a production, unless fire ensues and then our liability shall be limited to that portion of the loss caused by such ensuing fire;
- f. Damage to or destruction of property caused intentionally by you or on your behalf or at your direction;
- g. Loss, destruction or damage caused by or resulting from delay, loss of market or use, interruption of business or other consequential loss extending beyond direct physical loss or damage;
- h. Mechanical breakdown or derangement unless caused by a peril not otherwise excluded;
- i. Loss of use of animals including but not limited to injury, sickness or death of animals unless endorsed hereon;
- j. Loss of or damage to exposed film (developed or undeveloped), tape or recording or recording storage medium of any type;
- k. Any direct or indirect property damage loss including expenditures incurred in the purchase, construction, repair or replacement of any physical property including animals.

**VII. DEFINITION OF LOSS**

Loss, as used in this Coverage, shall mean any extra expenditure incurred by you in completing principal photography of an insured production, over and above the expenditure, which, but for the happening of any one or more of the occurrences specified in Paragraph I., would have been incurred in completing said principal photography, or such actual expenditure incurred by you in an insured production as shall be rendered entirely abortive and valueless directly by reason of the happening of an occurrence or occurrences as specified in Paragraph I. Extra expenditure refers to the same costs defined in Insurable Production Cost.

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SECTION II, COVERAGE C. – THIRD PARTY PROPERTY DAMAGE

**I. INSURING AGREEMENT**

We agree to pay on your behalf all sums which you shall become legally obligated to pay as damages because of injury to or destruction of property of others, including loss of use thereof, occurring during the term of coverage (defined in Paragraph IV.) while such property is in your care, custody or control and is used or to be used in connection with an insured production.

**II. LIMITS OF LIABILITY**

Our limit of liability with respect to any one loss shall not exceed the limit of liability stated on the Declarations page for Third Party Property Damage coverage.

**III. DEDUCTIBLE**

The sum stated on the Declarations page as the deductible for Third Party Property Damage coverage shall be deducted from each occurrence claimed hereunder. This deductible shall include any judgment, settlement, cost, fee or expense in connection with each occurrence claimed hereunder.

**IV. TERM OF COVERAGE**

The insurance afforded under this Coverage shall be for a period starting thirty (30) days prior to the start of principal photography stated in Item 4. on the Declarations page and continue until the date on which a protection print or duplicate tape of an insured production has been completed and physically removed from the premises where the original negative or tape is located, or until coverage on an insured production shall be terminated by you, or until the policy expires, whichever occurs first.

**V. EXCLUSIONS**

This Coverage does not apply to:

- a. Liability for injury to or destruction of property caused intentionally by you or at your direction;
- b. Liability for physical damage to motor vehicles, trailers, aircraft or watercraft except for loss of use of such property not excluded under Section II, Coverage A. – Props, Sets & Wardrobe or Section II, Coverage D. – Miscellaneous Equipment;
- c. Liability for injury to or destruction of personal property, used or to be used during or in connection with an insured production, which property is rented to or leased by you, except for loss of use of such property;
- d. Liability for damage to or destruction of property resulting from your failure to provide reasonable and proper care of property you use;
- e. Liability for injury to or destruction of premises (including buildings) rented to or leased by you that are used or to be used for any purpose other than filming or taping in connection with an insured production.

MOTION PICTURE / TELEVISION PRODUCERS PORTFOLIO  
SECTION II, COVERAGE C. – THIRD PARTY PROPERTY DAMAGE

**VI. DEFINITION OF INSURED**

The word "Insured" means:

The Named Insured as stated on the Declarations page and any employee (or other person under the Named Insured's direct control), partner, officer, or director thereof (referred to as "you" or "your"), but only with respect to any act or failure to act on the part of such parties while acting within the scope of their duties as such.

**VII. DEFENSE, SUPPLEMENTARY PAYMENT**

With respect to such insurance as is afforded by this Coverage, we shall:

- a. Defend any suit against you alleging such damage(s) which are payable under the terms of this Coverage, even if any of the allegations of the suit are groundless, false or fraudulent;
- b. Pay in addition to the applicable limit of liability:
  - (1) All expenses incurred by us, all costs taxed against you in any such suit and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before we have paid or tendered or deposited in court that part of the judgment which does not exceed the limit of our liability thereon;
  - (2) Premiums on appeal bonds required in such suit, premiums on bonds to release attachments for the amount not in excess of the applicable limit of liability of this coverage, but without any obligation to apply for or furnish any such bonds;
  - (3) All reasonable expenses, other than loss of earnings, you incur at our request.

MOTION PICTURE / TELEVISION PRODUCERS PORTFOLIO  
SECTION II, COVERAGE D. – MISCELLANEOUS EQUIPMENT

**I. INSURING AGREEMENT**

We agree to pay to you or on your behalf the value of personal property, including but not limited to cameras, camera equipment, sound and lighting equipment, portable electrical equipment, mechanical effects equipment, grip equipment and mobile equipment, not including loss of use, owned by you or which is the property of others for which you are legally liable and which is lost, damaged or destroyed during the term of coverage, caused by the Perils Insured against, while such property is used or to be used by you in connection with an insured production.

**II. LIMITS OF LIABILITY**

Our limit of liability with respect to any one occurrence shall not exceed the amount stated on the Declarations page for Miscellaneous Equipment coverage.

**III. DEDUCTIBLE**

- a. The sum stated on the Declarations page as the deductible for Miscellaneous Equipment coverage shall be deducted from each adjusted claim hereunder.
- b. With respect to loss of, damage to, or destruction of vehicles, the sum of ten percent (10%) of the loss, subject to a minimum of \$1,000.00 per vehicle and a maximum of \$10,000.00 per vehicle, shall be deducted from each adjusted claim hereunder, in lieu of the deductible stated on the Declarations page as the deductible for Miscellaneous Equipment coverage.

**IV. TERM OF COVERAGE**

The insurance afforded under this Coverage shall be for a period starting thirty (30) days prior to the start of principal photography stated in Item 4. on the Declarations page, and continue until the date on which a protection print or duplicate tape of an insured production has been completed and physically removed from the premises where the original negative or tape is located, or until coverage on an insured production shall be terminated by you, or until the policy expires, whichever occurs first.

**V. PERILS INSURED**

This Coverage insures against all risks of direct physical loss or damage to the property covered from any external cause, except as hereinafter excluded.

**VI. PERILS NOT INSURED**

This Coverage does not insure against loss or damage caused by or resulting from:

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

- b. Any work, process, experimentation, tests, repairing, restoration, conversion, or partial conversion, retouching, painting, cleaning or any other form of process performed or undertaken by you or on your behalf or at your direction, unless accidental fire or explosion ensues and then only for the loss or damage caused by such ensuing fire or explosion;
- c. Unexplained or mysterious disappearance or shortage found upon taking of inventory;
- d. Rain, sleet, snow or hail, whether driven by wind or not, to property stored in the open;
- e. Any electrical injury or disturbance to electrical appliances, devices, fixtures or wiring caused by electrical currents artificially generated, within the property or facilities you use in connection with production, unless fire ensues and then our liability shall be limited to that portion of the loss caused by such ensuing fire;
- f. Damage to or destruction of property caused intentionally by you or at your direction;
- g. Loss, destruction or damage caused by or resulting from delay, loss of market or use, interruption of business or other consequential loss extending beyond direct physical loss or damage;
- h. Mechanical breakdown or derangement unless caused by a peril not otherwise excluded.

## **VII. PROPERTY EXCLUDED**

This Coverage does not insure:

- a. Personal Property which would normally be covered under Section II, Coverage A. – Props, Sets & Wardrobe of this policy;
- b. Animals;
- c. Growing plants;
- d. Accounts; bills; currency, numismatic properties or money; notes; securities; stamps; deeds; evidences of debt; letters of credit; credit cards; passports; railroad, airline or other tickets, unless endorsed hereon;
- e. Buildings;
- f. Aircraft;
- g. Watercraft valued in excess of \$5,000;
- h. Damage to vehicles while involved in racing, chase scenes, precision driving or stunts unless endorsed hereon;
- i. Vehicles you own;
- j. Film or tape, or recording or recording storage medium of any type.

## **VII. VALUATION**

The basis of determining the value of the property insured hereunder, except with respect to vehicles, shall be as follows:

- a. Your property shall be valued at the full cost of repair or replacement, without deduction for depreciation or betterment, if repaired or replaced with due diligence and dispatch, and in no event, unless repair or replacement is completed within one year from the date of loss. If not repaired or replaced, the property shall be valued at its actual cash value at the time and the place of loss.
- b. Property of others for which you are legally liable, either by contract or mutual agreement, shall be valued at common market value, in accord with contractual conditions or as you are obligated to pay by common law.
- c. Vehicles shall be valued at actual cash value as of the date and location of loss.

MOTION PICTURE / TELEVISION PRODUCERS PORTFOLIO  
SECTION III, COVERAGE A. – NEGATIVE FILM

**I. INSURING AGREEMENT**

We agree to pay to you such loss (defined in Paragraph VII.) as you shall directly and solely sustain as a result of loss of, damage to or destruction of videotape stock, raw film stock, recorded videotape, exposed motion picture film (developed or undeveloped), interpositives, positives, work prints, cutting copies, fine grain prints, sound tracks, tapes, transparencies, cels, art work (used to create animation images), software and related material used to generate computer images, used in connection therewith, caused by an insured peril (defined in Paragraph V.) when such property is your property or the property of others for which you are legally liable, while such property is used or to be used in connection with an insured production.

**II. LIMITS OF LIABILITY**

Our limit of liability with respect to any one occurrence shall not exceed the amount stated on the Declarations page for Negative Film coverage.

**III. DEDUCTIBLE**

The sum stated on the Declarations page for Negative Film Coverage shall be deducted from each adjusted claim hereunder.

**IV. TERM OF COVERAGE**

The insurance afforded under this Coverage shall be for a period starting thirty (30) days prior to the start of principal photography stated in Item 4. on the Declarations page, and continue until the date on which a protection print or duplicate tape of an insured production has been completed and physically removed from the premises where the original negative or tape is located, or until coverage on an insured production shall be terminated by you, or until the policy expires, whichever occurs first.

**V. PERILS INSURED**

This Coverage insures against all risks of direct physical loss or damage to the property covered from any external cause, except as hereinafter excluded.

**VI. PROPERTY EXCLUDED**

This Coverage does not insure cut-outs, unused footage or library stock.

**VII. DEFINITION OF LOSS**

- a. Loss, except for loss to videotape stock, raw film stock or blank media, shall mean only such extra expenditure you incur to re-photograph, re-tape, recreate or reprogram in substantially the same manner only that portion of an insured production which is the subject of a loss claimed under the terms of this coverage, over and above the expenditure, which, but for the happening of any one or more of the occurrences specified in Paragraph I, would have been incurred in completing that portion of said production. However, loss arising from delay in completion of any insured

production(s) is not recoverable under the terms of this coverage except such loss arising from delay as shall be both unavoidable and occur during the period of time necessary to re-photograph, re-tape, recreate or reprogram in substantially the same manner that portion of the film or tape or software which is the subject of a loss claimed under the terms of this coverage. Extra expenditure refers to the costs defined in Insurable Production Cost.

- b. Loss to videotape stock, raw film stock or blank media shall mean only the actual cost to replace the lost or damaged videotape stock, raw film stock or blank media with stock of like kind and quality.
- c. In the event that the happening of one or more of the occurrences specified in Paragraph I reasonably, practically and necessarily prevents the completion of an insured production irrespective of any completion or delivery date requirements, you shall have the right to abandon production and claim under this Coverage for such actual expenditures you incur in an insured production as have been rendered entirely valueless solely and directly by reason of the happening of one or more of the occurrences specified in Paragraph I, subject to the Special Conditions of this policy.

### **VIII. EXCLUSIONS**

This Coverage does not insure against loss caused by or resulting from:

- a. The use of faulty materials, faulty equipment, faulty editing, faulty developing or faulty processing which would normally be covered under Section III, Coverage B. – Faulty Stock of this policy;
- b. Exposure to light, deterioration, atmospheric dampness or changes in temperature;
- c. Faulty manipulating or judgment of camera operator or assistants;
- d. Error(s) of judgment in exposure, lighting or sound recording;
- e. Use of incorrect raw film stock or videotape or media/software;
- f. Errors in machine programming or instructions to the machine;
- g. Unexplained or mysterious disappearance or shortage found upon taking of inventory;
- h. Consequential loss, if any, due to loss of or damage to videotape stock, raw film stock, or blank media.

### **IX. WARRANTY**

You warrant that artwork, drawings, software and related material (hereinafter referred to as "source material") used to generate computer images and animation cels will be retained until your legal liability is exhausted or a protection print has been completed or expiration of this coverage, whichever comes first.

If the source materials have been photographed, or used as intended in the production process, then damage to the same source material will not be considered a loss hereunder, except to the extent that the property covered in Paragraph I. is damaged and you have complied with the above.

Failure to fulfill this warranty shall release us from all obligations under the policy to the extent that a loss is suffered or increased by that failure.

**X. DEFINITIONS**

- a.. COMPUTER PROGRAMS means data used to direct the computer equipment, including diagrams or other records which can be used to reproduce programs.
- b. DATA means facts, concepts or instructions which are converted to a form usable in your data processing operations, including computer programs.
- c. MEDIA means materials on which DATA are recorded or stored.
- d. SOFTWARE means any combination of DATA, MEDIA or COMPUTER PROGRAMS.

MOTION PICTURE / TELEVISION PRODUCERS PORTFOLIO  
SECTION III, COVERAGE B. – FAULTY STOCK

**I. INSURING AGREEMENT**

We agree to make good to you such loss (defined in Paragraph VI.) as you shall directly and solely sustain as a result of loss of, damage to or destruction of videotape stock, raw film stock, recorded videotape, exposed motion picture film (developed or undeveloped), interpositives, positives, work prints, cutting copies, fine grain prints, sound tracks, tapes, transparencies, eels, art work (used to create animation images), software and related material used to generate computer images, used in connection therewith, caused by faulty materials, faulty equipment, faulty editing, faulty developing or faulty processing when such property is your property or the property of others for which you are legally liable, while such property is used or to be used in connection with an insured production.

**II. LIMITS OF LIABILITY**

Our limit of liability with respect to any one occurrence shall not exceed the amount stated on the Declarations page for Faulty Stock coverage.

**III. DEDUCTIBLE**

The sum stated on the Declarations page for Faulty Stock coverage shall be deducted from each adjusted claim hereunder.

**IV. TERM OF COVERAGE**

The insurance afforded under this Coverage shall commence on the start date of principal photography stated in Item 4. on the Declarations page, and continue until the date on which a protection print or duplicate tape of an insured production has been completed and physically removed from the premises where the original negative or tape is located, or until coverage on an insured production shall be terminated by you, or until the policy expires, whichever occurs first.

**V. PROPERTY EXCLUDED**

This Coverage does not insure cut-outs, unused footage or library stock.

**VI. DEFINITION OF LOSS**

a. Loss, as used in this Coverage, shall mean only such extra expenditure you incur to re-photograph, re-tape, recreate or reprogram in substantially the same manner only that portion of an insured production, which is the subject of a loss claimed under the terms of this Coverage, over and above the expenditure, which, but for the happening of any one or more of the occurrences specified in Paragraph I, would have been incurred in completing that portion of said production. However, loss arising from delay in completion of any insured production(s) is not recoverable under the terms of this Coverage except such loss arising from delay as shall be both unavoidable and occur during the period of time necessary to re-photograph, re-tape, recreate or reprogram in substantially the same manner that portion of the film or tape or software which is the subject of a loss claimed under the terms of this Coverage. Extra expenditure refers to the costs defined in Insurable Production Cost.

- b. In the event that the happening of one or more of the occurrences specified in Paragraph I reasonably, practically and necessarily prevents the completion of an insured production irrespective of any completion or delivery date requirements, you shall have the right to abandon production and claim under this Coverage for such actual expenditures you incur in an insured production as have been rendered entirely valueless solely and directly by reason of the happening of one or more of the occurrences specified in Paragraph I, subject to the Special Conditions of this policy.

## **VII. EXCLUSIONS**

This Coverage does not insure against loss caused by or resulting from:

- a. Faulty manipulating or judgment of the camera operator or assistants;
- b. Error(s) of judgment in exposure, lighting or sound recording;
- c. Use of incorrect raw film stock or videotape or media/software;
- d. Errors in machine programming or instructions to the machine;
- e. Use of film, videotape, cameras, lenses or photographic tape or sound equipment that has not been fully tested by you or on your behalf, and found to be in sound operating condition prior to the commencement of the filming or taping of an insured production or series of productions.

## **VIII. WARRANTY**

You warrant that artwork, drawings, software and related material (hereinafter referred to as "source material") used to generate computer images and animation cels will be retained until your legal liability is exhausted or a protection print has been completed or expiration of this coverage, whichever comes first.

If the source materials have been photographed, or used as intended in the production process, then damage to the same source material will not be considered a loss hereunder, except to the extent that the property covered is damaged and you have complied with the above.

Failure to fulfill this warranty shall release us from all obligations under the policy to the extent that a loss is suffered or increased by that failure.

## **IX. DEFINITIONS**

- a. **COMPUTER PROGRAMS** means data used to direct the computer equipment, including diagrams or other records which can be used to reproduce programs.
- b. **DATA** means facts, concepts or instructions which are converted to a form usable in your data processing operations, including computer programs.
- c. **MEDIA** means materials on which Data are recorded or stored.
- d. **SOFTWARE** means any combination of DATA, MEDIA or COMPUTER PROGRAMS.

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