



SAMPLE

State Farm®  
**Personal Articles  
Policy**

FP-7940.2

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**DECLARATIONS**

Your Name  
Policy Period  
Classes of Property  
Amounts of Insurance  
Deductibles

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## PERSONAL ARTICLES POLICY

In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident in the

same household. "We", "us" and "our" refer to the Company shown in the Declarations.

## PROPERTY COVERED

We cover the Classes of Property shown in the Declarations.

## TERRITORIAL LIMITS

We cover the property described while it is anywhere in the world. However, Fine Arts are

covered only while within the United States and Canada.

## LOSSES INSURED AND LOSSES NOT INSURED

We insure for accidental direct physical loss or damage to the property covered except loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event which contributes concurrently or in any sequence to the loss or damage.

1. War, including:
  - a. undeclared war;
  - b. civil war;
  - c. insurrection;
  - d. rebellion;
  - e. revolution;
  - f. warlike act by a military force or military personnel;
  - g. destruction, seizure or use for a military purpose; or
  - h. any effect of any of these.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

2. Seizure or destruction under quarantine or customs regulations.
3. Any order or law of a governmental or municipal authority.
4. Risks of contraband, illegal transportation or trade.
5. Nuclear Hazard, meaning:
  - a. any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused; and
  - b. any effect of any of these.Loss caused by the nuclear hazard is not considered loss caused by fire, explosion or smoke. Direct loss by fire resulting from the nuclear hazard is covered.
6. Mechanical breakdown, wear and tear, gradual deterioration and inherent vice.
7. Vermin or insects.

## SPECIAL EXCLUSIONS

**This policy does not apply:**

1. if Fine Arts are covered:
  - a. to damage caused by any repairing, restoration or retouching process;

- b. to property on exhibition at fairgrounds or on the premises of national or international expositions, unless the premises are covered by this policy.
2. if Sports Equipment is covered:
  - a. to loss or damage caused by:

- (1) any process of refinishing, renovating or repairing;
- (2) dampness of atmosphere and/or extremes of temperature;
- (3) inherent defect or faulty manufacture;
- (4) rust, fouling or explosion of firearms;
- b. to breakage, marring, scratching, tearing, or denting unless caused by fire, thieves or accidents to conveyances;
- c. to infidelity of Insured's employees or persons to whom the covered property may be entrusted or rented;
- d. to loss or damage to:
  - (1) outboard motors, boats and/or their accessories;
  - (2) bicycles, their equipment or accessories; and
  - (3) equipment, clothing or accessories used in connection with the game of golf.
- 3. if Stamp and Coin Collections are covered:
  - a. to fading, creasing, scratching, tearing, thinning, transfer of colors, inherent defect, dampness, extremes of temperature gradual depreciation, or damage from handling or being worked upon;
  - b. to disappearance of individual stamps, coins or other items unless the item is described and scheduled with a specific amount of insurance, or if the item is mounted in a volume and the page to which it is attached is also lost;
  - c. to loss of or damage to property which is:
    - (1) in the custody of transportation companies unless such shipments are made by railway express or armored car. Shipments by mail are covered only if made by registered mail or insured parcel post; or
    - (2) not an actual part of a stamp, money or numismatic collection.
  - d. to theft from any unattended automobile unless in the custody of railway express, armored motor car companies, or while being shipped by registered mail or insured parcel post.

### CONDITIONS

- 1. **Conformity to State Law.** When a policy provision is in conflict with the applicable law of the State in which this policy is issued, the law of the State will apply.
- 2. **Concealment or Fraud.** This entire policy will be void if, whether before or after a loss, you have intentionally concealed or misrepresented a material fact or circumstance relating to this insurance.
- 3. **Loss Settlement.** We have the option of repairing or replacing the lost or damaged property. Unless otherwise stated in this policy, covered property values will be determined at the time of loss or damage. We will pay the cost of repair or replacement, but not more than the smallest of the following amounts:
  - a. the full amount of our cost to repair the property to its condition immediately prior to the loss or damage;
  - b. the full amount of our cost to replace the item with one substantially identical to the item lost or damaged;
  - c. any special limit of liability described in this policy; or
  - d. the limit of liability applicable to the property.
- 4. **Loss to a Pair or Set.** In case of loss to a pair or set we may elect to:
  - a. repair or replace any part to restore the pair or set to its value before the loss; or
  - b. pay the difference between actual cash value of the property before and after the loss.
- 5. **Loss Clause.** The amount of insurance under this policy will not be reduced except for a total loss of a scheduled item. We will refund the unearned premium applicable to such item after the loss or you may apply

it to the premium due for the replacement of the scheduled item.

6. **Appraisal.** If you and we fail to agree on the amount of loss, either one can demand that the amount of the loss be set by appraisal. If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand.

The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 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 will then set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss.

If the appraisers fail to agree within a reasonable time, they will submit their differences to the umpire. Written agreement signed by any two of these three will set the amount of the loss. Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by you and us.

7. **Your Duties After Loss.** In case a covered loss occurs, you must:
- protect the property from further loss and take all steps possible to minimize the loss. Expenses incurred will be borne by you and us proportionate to our respective interests;
  - report as soon as practicable in writing to us or our agent any loss or damage which may become a claim under this policy (In case of theft, the police are also to be notified); and
  - file with us or our agent, within 90 days after discovery of the loss, a signed sworn proof of loss. This will state the facts and amount of the loss to the best of your knowledge.
8. **Examination Under Oath.** You agree:
- to be examined under oath and subscribe to the same as often as we reasonably require;
  - that employees, members of your household or others will be produced for examination under oath to the extent that it is within your power to do so;
  - to produce, if requested, the remains of the covered property; and

d. to produce such records as we may need to verify the claim and its amount, and to permit copies of such records to be made if needed.

9. **Suit Against Us.** No action will be brought unless:
- there has been compliance with the policy provisions; and
  - the loss has become payable as specified in the **CONDITION** entitled "Loss Payment".

Any action must be started within one year after the occurrence causing loss or damage.

10. **Loss Payment.** We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your Proof of Loss and:

- we reach agreement with you;
- there is an entry of a final judgment; or
- there is a filing of an appraisal award with us.

11. **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 cooperate in every way possible to assist in such recovery from others. We will, at our expense, take over your rights against others to the extent of our payment.

12. **No Benefit to Bailee.** No person or organization having custody of the property and to be paid for services will benefit from this insurance.

13. **Other Insurance.** If at the time of loss or damage there is other insurance available which would apply to the property in the absence of this policy, the insurance under this policy will apply only as excess insurance over the other insurance.

14. **Cancellation.**

- You may cancel this policy at any time by notifying us in writing of the date cancellation is to take effect.
- We may cancel this policy only for the reasons stated in this condition. We will notify you in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice:

- (1) When you have not paid the premium, we may cancel at any time by notifying you at least 10 days before the date cancellation takes effect. This condition applies whether the premium is payable to us or to our agent or under any finance or credit plan.
  - (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason. We may cancel by notifying you at least 10 days before the date cancellation takes effect.
  - (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
    - (a) if there has been a material misrepresentation of fact which, if known to us, would have caused us not to issue this policy; or
    - (b) if the risk has changed substantially since the policy was issued.

We may cancel this policy by notifying you at least 30 days before the date cancellation takes effect.
  - (4) When this policy is written for a period longer than one year, we may cancel for any reason at anniversary. We may cancel by notifying you at least 30 days before the date cancellation takes effect.
  - c. When this policy is cancelled by us, the premium for the period from the date of cancellation to the expiration date will be refunded. When you request cancellation, the return premium will be based on our rules for such cancellation.
  - d. Sometimes the return premium is not refunded with the notice of cancellation or when this policy is returned to us. In such cases, we will refund it within a reasonable time after the date cancellation takes effect.
15. **Non-Renewal.** We may elect not to renew this policy. We may do so by delivery to you, or mailing to you at your mailing address shown in the Declarations, written notice. The notice will be mailed or delivered at least 30 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.
  16. **Waiver or Change of Policy Provisions.** A waiver or change of any policy provision must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.
  17. **Liberalization Clause.** If we adopt a revision which would broaden 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.
  18. **Newly Acquired Property.**
    - a. With respect to jewelry, furs, cameras and musical instruments, we cover newly acquired property of a class already covered. Coverage will not exceed 25% of the amount of insurance for that class of property or \$10,000, whichever is less. You must:
      - (1) report this newly acquired property to us within 30 days of acquisition; and
      - (2) pay the additional premium from the date acquired.
    - b. With respect to fine arts, we cover newly acquired property of this class if already covered. Coverage will not exceed 25% of the amount of insurance for this class. You must:
      - (1) report this newly acquired property to us within 30 days of acquisition; and
      - (2) pay the additional premium from the date acquired.
  19. **Intentional Acts.** If you or any person insured under this policy causes or procures a loss to property covered under this policy for the purpose of obtaining insurance benefits then this policy is void and we will not pay you or any other insured for this loss.

### SPECIAL CONDITIONS

1. **Fine Arts.** You agree that the covered property will be packed and unpacked by competent packers.  
We agree that the amount shown for each scheduled item is the value of the item.  
In case of the total loss of any item or items which are part of a set:
  - a. we agree to pay you the full value of the set as shown on the schedule; and
  - b. you agree to surrender the remaining items of the set to us.
2. **Golfer's Equipment.** Golfer's equipment includes golf clubs, golf clothing and golf equipment (not watches,

jewelry and stock for sale) which are your property. Your other clothing is covered while in a locker located in a building used in connection with the game of golf.

Golf balls are covered only if loss is caused by fire or burglary. Burglary coverage applies only if the golf balls are taken from within a building, room or locker by a person making unlawful entry by force. There must be visible marks of forced entry upon the premises.

3. **Musical Instruments.** You agree that no instrument played for pay during the policy term will be covered. This condition applies unless changed by endorsement and additional premium is paid at our current rates.
4. **Silverware.** Pens, pencils, flasks, smoking implements or accessories or items of personal adornment are not covered as "Silverware".
5. **Sports Equipment.** In case of loss we will pay no greater proportion of the loss than the amount of insurance bears to the actual value of the property at the time of loss.
6. **Stamp and Coin Collections.**
  - a. We cover:
    - (1) postage stamps and other philatelic property owned by or in custody or control of the Insured. This includes the books, pages and/or mountings used; and
    - (2) rare and current coins, medals, paper money, bank notes, tokens of money and other numismatic property owned by or in custody or control of the Insured. This includes coin albums, containers, frames, cards and display cabinets in use with such collection.

b. In case of loss the amount payable will be determined as follows:

- (1) If loss is to a scheduled item we will pay no more than the amount shown.
- (2) If loss is to scheduled property described as pairs, strips, blocks, series, sheets, covers, frames, cards or the like, we will pay in the event of total loss no more than the amount shown. In the event of a partial loss we will pay no more than the cash market value of the whole set less the cash market value of the remainder at the time of loss. It is agreed that if the property is covered for less than the cash market value payment will be limited to the proportion that the amount of insurance bears to the cash market value.
- (3) In all other cases of loss to covered property, we will pay no more than the actual cash market value of the property at the time of loss. Payment will not exceed \$250 for:
  - (a) one stamp, coin or other individual article; or
  - (b) one pair, strip, block, series, sheet, cover, frame, card or the like.
- (4) We will not pay a greater proportion of a loss on unscheduled property than the amount of insurance on that unscheduled property bears to the cash market value at the time of loss.

7. **Cameras.** You agree that no camera used for pay during the policy term will be covered. This condition applies unless changed by endorsement and additional premium is paid at our current rates.

### OPTIONAL POLICY PROVISIONS

Each Optional Provision applies only as shown in the Declarations or Extension Certificate.

#### Option I - Inflation Coverage.

1. This option will apply only to those classes of property which indicate in the schedule that "Inflation Coverage Applies".
2. The amount of insurance applicable to those classes of property will be increased at the same rate as the increase in the inflation coverage index shown in the Declarations.
  - a. To find the limits on a given date:

- (1) divide the index on that date by the index as of the effective date of the inflation coverage provision; then
- (2) multiply the resulting factor by the amount of insurance applicable to the property covered.

The limits of liability will not be reduced to less than the amounts shown in the schedule.

b. If during the term of this policy, you:

- (1) change the amount of insurance on any property to which Inflation Coverage applies; or

(2) add property to which Inflation Coverage applies;

the effective date of this Inflation Coverage on that property is changed to coincide with the effective date of the change or addition.

**Option Q - Broad Pair and Set Coverage.** In the event of the total loss of an item or items which are part of a pair or

set, we agree to pay you the full amount of the value of such pair or set as specified in the schedule (IN ACCORDANCE WITH THE LOSS SETTLEMENT CONDITION). You agree to surrender the remaining item or items of the pair or set to us.

IN WITNESS WHEREOF, this Company has executed and attested these presents; but this policy shall not be valid unless countersigned by the duly authorized Agent of this Company at the agency hereinbefore mentioned.

*Lynne M. Yauell*

Secretary

*Michael J. Tignor*

President

The Board of Directors, in accordance with Article VI(c) of this Company's Articles of Incorporation, may from time to time distribute equitably to the holders of the participating policies issued by said Company such sums out of its earnings as in its judgment is proper.