

DUCKS UNLIMITED FIREARM AND PROPERTY PROTECTION COVERAGE FORM

INSURING AGREEMENTS

I. PROPERTY INSURED, TERRITORY,

POLICY PERIOD: This Policy covers the Insured's firearms, air guns, bows and arrows, including accessories (as defined herein) or other property as scheduled (hereinafter called property.) We cover loss or damage occurring during the policy period shown in the Declarations; and while located within the territorial limits of the United States of America, its Territories or Possessions, Puerto Rico, Virgin Islands and Canada. However, coverage may be extended Worldwide for any trip up to a maximum of sixty days per trip and up to a maximum sum insured of \$10,000.

PREMIUMS

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

II. PERILS INSURED: This Policy insures against all risks of direct physical loss or damage to the insured property, occurring during the period of this policy, from any cause, except as hereinafter provided.

III. DEDUCTIBLE:

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

IV. EXCLUSIONS: This Policy does not insure against:

A. Loss or damage caused by bursting or bulging gun barrels, faulty ammunition, rust, fouling, marring, scratching, wear, tear or gradual deterioration, mechanical breakdown, malfunction or defect, or loss caused by or during any process of repairing, refinishing or renovation.

B. Infidelity of the Insured's a) employees or b) persons to whom the insured property is entrusted.

C. Loss or damage arising from war, invasion, hostilities, rebellion, insurrection, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority and risks of contraband or illegal transportation or trade. This exclusion shall not be construed to apply to damage or destruction by civil authority during a conflagration and for the purpose of retarding the same, provided neither such conflagration nor such damage or destruction is caused or contributed to by war, invasion, hostilities, rebellion, insurrection or warlike operations. This exclusion shall not be affected by any endorsement which does not specifically refer to it.

D. Loss or damage caused by strikers, locked out workmen, or persons taking part in labor disturbances, riots, or civil commotion.

E. Loss or damage arising directly or indirectly from nuclear reaction, nuclear radiation or radioactive contamination however such nuclear reaction, nuclear radiation or radioactive contamination may have been caused; NEVERTHELESS, if Fire is an insured peril and a Fire arises directly or indirectly from nuclear radiation or radioactive contamination, any loss or damage arising directly from the Fire shall (subject to the provisions of this Policy) be covered EXCLUDING however all loss or damage caused by nuclear reaction, nuclear radiation or radioactive contamination arising directly or indirectly from that Fire.

F. Loss or damage caused by rain, snow, sleet or dust to property in the open.

G. Loss or damage to property pertaining to the business of a commercial gun dealer or commercial gunsmith.

- H.** Loss or damage to illegal weapons. Illegal weapons shall include firearms prohibited by any Federal, State, or local jurisdiction or regulatory agency.
- I.** Theft from a vehicle, unless the theft resulted from breaking and entering of a LOCKED VEHICLE or locked portion of a vehicle.
- J.** Loss or damage to ammunition, bayonets, knives, binoculars, hunting glasses, and spotting scopes.
- K.** Loss or damage to cannons (full scale or miniature).
- L.** Clips, magazines, holsters, and gun cases unless the firearm they are used with is part of the loss claimed.
- M.** As respects property scheduled other than firearms or accessories as defined herein, loss or damage caused by or resulting from mold, mildew, moth, vermin, insufficiency of insulation or packing, wear, tear, decay, gradual deterioration, or natural loss in weight or volume.
- N.** War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- O.** Any act of terrorism. For the purpose of this exclusion, an act of terrorism means an 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 organization(s) or government(s), committed for political, religious, ideological or similar purposes, including the intention to influence any government and/or put the public, or any section of the public, in fear.
- P.** Damages or any cost or expense of whatever nature, directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to N.1 and/or O. above.

V. VALUATION CLAUSE:

A. UNSCHEDULED PROPERTY

1. With respect to unscheduled property, Underwriters shall not be liable beyond the replacement cost (without deduction for depreciation) of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such replacement cost except as indicated below.
2. We will settle your claim on an actual cash value basis and not pay on a replacement cost basis for any loss or damage:
 - a. Until the lost or damaged property is actually repaired or replaced; and
 - b. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
 - c. More than the least of the cost to replace the lost or damaged property with other property:
 - (1) Of comparable material and quality; and
 - (2) Used for the same purpose; or
 - (3) The amount you actually spend that is necessary to repair or replace the lost or damaged property.
3. If the **Actual Cash Value Option** applies, as shown in the declarations; Paragraphs V.A.1. and V.A.2 above do not apply. Instead, with respect to unscheduled property, Underwriters shall not be liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value and shall in no event exceed what it would then cost to repair or replace the same with property of like kind and quality

B. SCHEDULED PROPERTY

In respect of scheduled property, Underwriters shall be liable for the agreed amount set opposite each item in the schedule of items covered issued to the insured unless otherwise provided.

VI. NEW ACQUISITIONS: The insurance provided by this policy is extended to cover additional property acquired during the policy

period, subsequent to the attachment of the coverage for a period of 30 days from the date acquired, subject to the Insured paying an additional pro rata premium. The maximum limit for this extension for all additionally acquired property shall be:

- A.** For no more than the replacement cost of said property and in no event exceeding 25% of the amount shown as the total of both scheduled and unscheduled property in the policy or \$1,000 whichever is the lesser, except as shown in **B...** or **C** below.
- B.** If the **Actual Cash Value Option** applies, as shown in the declarations, for no more than the actual cash value of said property and in no event exceeding 25% of the amount shown as the total of both scheduled and unscheduled property in the policy or \$1,000 whichever is the lesser
- C.** If property is not scheduled, the maximum limit under this extension shall be \$500. It is specifically understood and agreed that this Policy shall cease to cover such additionally acquired property if not reported to Underwriters or their representatives within the stated thirty (30) day period.

VII. OTHER INTERESTS COVERED

A. LOSS PAYABLE CLAUSE

For Covered Property in which both you and a Loss Payee shown in the declarations, in the schedule or in a certificate of insurance issued by the company have an insurable interest, we will:

- 1. Adjust losses with you; and
- 2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

B. LENDER'S LOSS PAYABLE

- 1. The Loss Payee shown in the declarations, in the schedule or in a certificate of insurance issued by the company is a creditor, including a mortgage holder or trustee, whose interest in Covered Property is established by such written instruments as:
 - a. Warehouse receipts;
 - b. A contract for deed;
 - c. Bills of lading;
 - d. Financing statements; or
 - e. Mortgages, deeds of trust, or security agreements.
- 2. For Covered Property in which both you and a Loss Payee have an insurable interest:
 - a. We will pay for covered loss or damage to each Loss Payee in their

order of precedence, as interests may appear.

- b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
 - c. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
 - i. Pays any premium due under this Coverage Part at our request if you have failed to do so;
 - ii. Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - iii. Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.
 - d. All of the terms of this Coverage Part will then apply directly to the Loss Payee.
 - e. If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
 - i. The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
 - ii. The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.
 - f. At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.
- 3. If we cancel this policy, we will give written notice to the Loss Payee at least:
 - a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.

4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

C. CONTRACT OF SALE

1. The Loss Payee shown in the declarations, in the schedule or in a certificate of insurance issued by the company is a person or organization you have entered a contract with for the sale of Covered Property.
2. For Covered Property in which both you and the Loss Payee have an insurable interest we will:
 - a. Adjust losses with you; and
 - b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.
3. The following is added to the OTHER INSURANCE Condition: For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

VIII. MISREPRESENTATION AND FRAUD:

The insurance provided to the Insured shall be automatically voided if, whether before or after a loss, the Insured has concealed or misrepresented any material fact or circumstances concerning this insurance, or the subject thereof, or of the interest of the Insured therein or in the case of any fraud, or attempted fraud, false swearing by the Insured relating thereto.

IX. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance. The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

X. OTHER INSURANCE

If other valid collectible insurance with any other insurer is available to the Insured covering a loss also covered by this Policy, the insurance afforded by this Policy shall be in excess of and shall not contribute with such other insurance. Nothing herein shall be construed to make this Policy subject to the terms, conditions and limitations of the other insurance.

XI. SUE AND LABOR: In the event of loss to property covered under this policy, the Insured, his employees, factors and assigns shall sue labor and travel in efforts to recover, safeguard and defend the said property. Such action shall

not prejudice this insurance or constitute a waiver of any rights of the Insured

XII. NOTICE OF LOSS: The Insured shall as soon as practicable report in writing to Ducks Unlimited Insurance Program, c/o Lockton Risk Services, Inc., P. O. Box 410679, Kansas City, MO, 64141, every loss which may become a claim under this policy and shall also file with the Underwriters of their agent within ninety (90) days from the date of discovery of loss a detailed sworn proof of loss. Such notice shall contain particulars sufficient to identify the Insured and also reasonably obtainable information respecting the time, place and circumstances of the loss or damage. In the event of loss or damage caused by theft or attempted theft, larceny, burglary, robbery, mysterious disappearance or vandalism and malicious mischief, the Insured shall report such loss to the police. Failure by the Insured to report such loss or damage and to file such sworn proof of loss as hereinbefore provided (and accompanied by the police report when applicable) shall invalidate any claim under this Policy for such loss or damage.

XIII. EXAMINATION UNDER OATH: The Insured, as often as may be reasonably required, shall exhibit to any person designated by the Underwriters all that remains of any property insured hereunder and shall submit, and insofar as it is within his or her power, cause his or her employees, members of the household and others to submit to examinations under oath by any person named by the Underwriters and subscribe the same; and, as often as may be reasonably required, shall produce for examination all writings, books of account, bills, invoices and other vouchers, or certified copies thereof if original be lost, at such reasonable time and place as may be designated by the Underwriters or their representative and shall permit extracts and copies thereof to be made. No such examination under oath or examination of books or documents, nor any other act of the Underwriters or any of their employees or representatives, in connection with the investigation of any loss or claim hereunder, shall be deemed a waiver of any defense which the Underwriters might otherwise have with regard to any loss or claim but all such examinations and acts shall be deemed to have been made or done without prejudice to the Underwriters' Liability.

XIV. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

XV. NO BENEFIT TO BAILEE: This insurance shall in no way inure directly or indirectly to the benefit of any carrier or other bailee.

XVI. PAIR, SET OR PARTS: In the event of loss of or damage to:

- A.** Any article or articles which are part of a pair or set, the measure of loss of or damage to such articles shall be a reasonable and fair proportion of the total value of the pair or set, giving consideration to the importance of said article or articles, but in no event shall such loss be construed to mean total loss of the pair or set; or
- B.** Any part of property covered consisting, when complete for use, of several parts, the Underwriters shall only be liable for the value of the part lost or damaged.

XVII. APPRAISAL: If the Insured and the Underwriters fail to agree as to the amount of loss, each shall, on the written demand of either, made within sixty (60) days after receipt of proof of loss by the Underwriters, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and failing for fifteen (15) days to agree upon such umpire, then, on the request of the Insured or the Underwriters, such umpire shall be selected by a judge of a court of record in the State in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately the actual cash value and replacement cost at the time of loss and the amount of loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The Insured and the Underwriters shall each pay his or their chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The Underwriters shall not be held to have waived any of their rights by any act relating to appraisal.

XVIII. SETTLEMENT OF CLAIMS:

A. There can be no abandonment to Underwriters of any property. However, it shall

be optional with the Underwriters to take all, or any part of the property at either its replacement cost, or if the **Actual Cash Value Option** applies, it's actual cash value; or to repair, rebuild, or replace the property destroyed or damaged with other of like kind and quality within a reasonable time on giving notice of their intention so to do within sixty (60) days after the receipt of the proof of loss required.

All adjusted claims shall be paid or made good to the Insured within ninety (90) days after presentation and acceptance of satisfactory proof of interest and loss at the office of the Underwriters or their agent.

B. COLLECTION FROM OTHERS

No loss shall be paid or made good if the Insured has collected the same from other insurers and/or other parties.

C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same "loss", we will not pay more than the actual amount of the "loss".

D. RECOVERIES

Any recovery or salvage on a "loss" will accrue entirely to our benefit until the sum paid by us has been made up.

E. RECOVERY OF PROPERTY

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

XIX. SUIT: No suit, action or proceeding for the recovery of any claim under this Policy shall be sustainable in any court of law or equity unless the same be commenced within twelve (12) months after discovery by the Insured of the occurrence which gives rise to claim, provided, however, that if by the laws of the State within which this Policy is issued such limitation is invalid, then any such claims shall be void unless such action, suit or proceeding be commenced within the shortest limit of time permitted by the laws of such State.

XX. SUBROGATION: In the event of any payment under this Policy the Underwriters shall be subrogated to all the Insured's rights of recovery thereof against any person or organization and the Insured shall execute and

deliver instruments and papers and do whatever is necessary to secure such rights. The Insured shall do nothing after loss to prejudice such rights.

XXI. ASSIGNMENT OF POLICY: The Policy shall be void if assigned or transferred without the written consent of Underwriters.

XXII. SERVICE OF SUIT CLAUSE: It is agreed that in the event of the failure of Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured, will submit to the jurisdiction of any court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon representatives specified for that purpose in the Declarations, and that in any suit instituted against any one of them upon contract; Underwriters will abide by the final decision of such court or of any Appellate Court in the event of an appeal.

The above named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured to give a written undertaking to the Insured that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, Underwriters hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or reinsured) or any beneficiary hereunder arising out of this contract of insurance and hereby designate the above mentioned as the person to whom the said officer is authorized to mail such process or a true copy thereof.

This Service of Suit Clause will not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in any Arbitration provision within this Policy. This Clause is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to such Arbitration provision for resolving disputes arising out of this contract of insurance.

XXIII. CANCELLATION: This Policy may be canceled by surrender to Underwriters or any of its authorized agents, or by mailing to Underwriters or any of its authorized agents, written notice stating when thereafter such cancellation shall be effective. The Policy may be canceled by Underwriters by mailing to the Insured at the address shown in the Policy, written notice stating when, not less than ninety (90) days thereafter but ten (10) days with respect to cancellation for non-payment of premium, such cancellation shall be effective. Proof of mailing of notice as aforesaid shall be sufficient proof of notice. Delivery of such written notice either by the Insured or by Underwriters shall be equivalent to mailing. If Underwriters cancel, earned premium shall be computed pro rata. If the Insured cancels earned premiums shall be computed in accordance with the customary short rate table and procedures.

Premium adjustment may be made at the time cancellation is effected or as soon as practicable thereafter. The check of Underwriters or their representatives mailed or delivered, shall be sufficient tender of any refund due the Insured.

XXIV. DEFINITIONS:

- A. "Firearm"** shall mean a weapon from which a shot is discharged by gun powder or a weapon from which a shot is discharged by pressure of compressed air.
- B. "Accessories"** shall mean scopes, rings, mounts, slings and sling swivels which are attached to the insured firearm. Accessories also include (i) unscheduled additional barrels with a maximum value of \$1,000 per item (ii) scheduled additional barrels with an agreed upon value (iii) traps used to capture fur-bearing animals (iv) field decoys and (v) related property that is scheduled. Unscheduled firearms and accessories do not include ammunition.