

LarkMusic Insurance


Dealer Musical Instruments Insurance Guide



LARK MUSIC

INSURANCE

Part of **HOWDEN**



Dealers musical instrument insurance guide

There are a number of important factors that you should consider each year when effecting your Musical Instruments Insurance. Please take some time to carefully read through each section of this Essential Insurance Guide to ensure that you are making the most of your insurance policy. You should read this in conjunction with your Policy Schedule and Musical Instrument Wording, copies of which are available upon request.

If you have any questions regarding your insurance, please do not hesitate to contact your Client Handler.

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Material Facts

Before you take out or renew any insurance policy and at any time whilst you are insured by it, you have a duty to disclose all material facts.

Examples of facts that need to be disclosed include (but are not limited to):

- any incidents of loss or damage at the premises, or claims or incidents that might give rise to a claim (whether or not any loss, damage or liability is covered by insurance, or whether an insurance claim is made or not)
- changes to cover required on insured items for example items restricted to premises requiring worldwide cover
- change of address and/or location of insured items
- changes in sums insured
- whether an insurer has declined a proposal for insurance, cancelled cover, refused to renew a policy etc.
- alterations to the normal form of business that you have told the insurers about, including the use of hazardous procedures or materials (e.g. use of heat or chemicals, etc.)
- changes in security of any premises, or in the existence, type, and operation of alarms and extinguishers
- changes to location (including additional or replacement premises), purchases (equipment or vehicles), acquisitions or new subsidiaries – if these are not disclosed, they won't be covered under the policy
- overseas activities (different territories have different rules and propensities for litigation and hence trading overseas may increase the level of risk for insurers)

- new products or activities (the activities you undertake are used to assess the perceived risk presented)
- criminal convictions or disqualification as a director in respect of anyone involved in the business,
- whether any director or partner has been involved in a business that has gone into liquidation / administration, has been dissolved, or similar, or if they have personally been bankrupt or been subject to a County Court Judgement or similar
- official notices or warnings from Councils or any other local or statutory authorities

It does not matter that insurers have not asked for any information – you must still disclose it. You should keep a record (including copies of letters, emails, Proposal Forms, Statement of Facts) of all such information supplied. If you are in any doubt as to whether anything is a material fact, please contact your Client Handler for advice.

Non Disclosure and Misrepresentation

If you have not provided, or have misrepresented, any facts or circumstances which are material to this insurance which might have affected the underwriter's decision to give you insurance or the terms of such insurance, depending on the nature of the non-disclosure or misrepresentation the insurer has the right to;

- Avoid the contract if they would not have accepted the risk based on the new information. Your premium will be returned to you unless the non-disclosure or misrepresentation was either deliberate or reckless.
- Apply additional policy terms
- Charge an additional premium
- Decline to pay a claim, or reduce the amount payable (depending on whether the non-disclosure or misrepresentation is relevant to the particular claim).

Under the terms of the Insurance Act 2015, if an additional premium is due as the result of the revised disclosure of information, in the event of a claim the settlement amount will be reduced in that same proportion as the premium adjustment. The insurer has taken to the decision to opt-out of this part of the Act and will instead charge the additional premium due which will be deducted from the claim settlement amount.

Premium Payment

There are various payment options available to you as a valued client of Lark Music and full details are shown on the Payment Details form. Please complete the appropriate section and return this to your Client Handler.

No Claims Discount

When calculating your annual premium, insurers will take into consideration the number and cost of claims that have been incurred under your policy(ies) over a defined period of time; normally 5 years. These claims will have a direct bearing on the annual premium that is charged and, as such, before making a claim you should consider the detrimental impact that this could have on your renewal premium. If you would like to discuss this matter further please do not hesitate to contact your Client Handler.

PLEASE NOTE THAT ALL INCIDENTS MUST BE REPORTED TO US BY YOU EVEN IF YOU DECIDE NOT TO CLAIM FOR THIS INCIDENT.



Review amount insured

Due to the nature of the items you are insuring the amount insured is not index linked. Therefore you should review the amount insured to ensure that the values remain adequate. The cover should also be reviewed in light of any alterations, new acquisitions or any other changes during the last year.

Valuations

Please note that in the event of a claim, valuations are required for all items above the value of GBP 1,500 (or currency equivalent). If you wish to send copies of these to us now, we can keep them on your file for future reference.

However, please note for items valued at GBP 50,000 and over (or currency equivalent), we must have a valuation document held on file. If you have items of this value or over, please ensure that you send copies of these to us. We advise that valuations should not be more than 3-5 years old.

If you need any assistance in obtaining valuations, please contact your Client Handler.

Additional clauses

For details of any specific terms applicable to your policy, please refer to the 'Additional Clauses Attaching To and Forming Part of this Insurance' and 'Endorsements Attaching to and Forming Part of the Musical instruments Policy wording Musical Instruments Insurance' sections of your Schedule. It is very important that you read this, in conjunction with the Musical Instruments Wording, and if you do not understand the terms, or are unable to comply with them, please contact your Client Handler immediately.

If there are no specific terms applicable to your policy, your policy Schedule will state that no special terms apply.

Excess

The excess applicable to your policy is shown on your policy. If you would like to increase your excess to take advantage of the discounts available, please contact your Client Handler.

In respect of Electrical items, there is a standard compulsory excess of GBP 100 or currency equivalent.

Claims

There are a number of important factors that you should consider when making a claim. Please take some time to read carefully through this section to ensure that you are making the most of our claims service. You should read this in conjunction with the claims section of your Musical Instruments Wording.

Our Service

We appreciate that in the event of a loss you need an efficient and outstanding claims service, and our aim is to put you in the same position as before the accident or loss with minimal disruption.

It is essential that you contact Lark Music as soon as possible following a loss or damage so that we may progress your claim to achieve the earliest possible settlement or recovery in the event of a loss or theft.

Your policy will respond to all incidents which are covered under the policy terms and your client handler will be happy to provide assistance and advice where possible in those areas which aren't covered by the policy.

If your policy is under a Delegated Authority, we may settle certain claims on behalf of the insurer. However, you can choose to have insurers deal with your claim directly. If you would prefer to deal direct with insurers, please let your claims handler know.

The Effect on Renewals

When making a claim under your policy, you will probably be aware that you will lose your No Claims Discount, however as mentioned above under No Claims Discount your insurers will take into consideration the number and cost of claims that have been incurred under your policy(ies) over a defined period of time; normally 5 years. These claims will have a direct bearing on the annual premium that is charged and, as such, you should consider the detrimental impact that this could have on your renewal premium.

Your Client Handler can provide assistance and advice in this area, and will be able to advise what will likely affect an insurer's view on your insurance and therefore affect your terms and premium.

As your Insurance Broker we look to provide every help and support that we can in order that losses are minimised and you continue to benefit from the great premium and cover that your policy provides.

Making a claim

Our Claims Procedure

Our standard process for a claim is:

- After you have notified us of your claim, we will send you a claim form in order to gather all the relevant information needed to settle the claim.
- If your claim involves theft or lost items, you must report this to the Police, and obtain a crime/lost property reference number.
- If appropriate, you may be required to send in written estimates from your chosen suppliers, to repair or replace lost or stolen items. We are not tied to any specific repairers, and therefore you are able to choose your own repairer.
- Please include supporting documentation with your claim form and return it to us.
- Do not dispose of any damaged items until this has been authorised by underwriters.
- Do not proceed with replacement or repair until you have obtained written approval from us.
- Once we have approved estimates, we will confirm in writing that you can proceed.
- Once work has been completed final invoices should be sent to us for settlement of your claim.
- If your claim is for lost, stolen or damaged beyond repair items, we will need to see either the original valuation or confirmation from your repairer that the item is irreparable.
- We will arrange payment as soon as possible.

Supporting Documentation

Supporting documentation is required to enable us to process your claim more efficiently. This may consist of, but is not limited to:

- photographs
- written estimates of repair
- written proof of replacement costs
- purchase receipts
- valuations
- Police crime report

If you are unable to provide documentation requested by your claims handler, please contact them to discuss further.

Loss Adjusters

If required, we may appoint a Loss Adjuster for their expert skills in assessing certain types of claim, or in instances where a claim exceeds certain financial limits. If a Loss Adjuster is appointed to your claim they will contact you to discuss the details of the claim and submit a report to the insurer to enable them to assess the claim.

Payment

Your claim can be settled by:

- Cheque, bank draft or BACS payment direct to you
- Payment direct to your repairer
- Cheque made out to your repairer and sent to you

Conditions Precedent to Liability

Your policy contains important clauses that require you to comply with the terms. Below are the clauses that are classified as Conditions Precedent to Liability (terms that must be complied with in the event of a loss for the claim to be valid).

Please take a moment to read these carefully, and should you have any queries, please do not hesitate to contact your Client Handler.

- tell Lark Music as soon as soon as reasonably possible of any incident which may result in a claim under this insurance, and give all necessary assistance we may require. If you think a crime has been committed you must also report this to the Police and obtain a crime reference number from them.
- allow us the right to inspect the damaged item(s) before any disposal of or any repair work begins. We will tell you if we wish to do so.
- prove that the loss or damage has occurred and give us all the co-operation we need.
- have paid the annual premium.

If you fail to comply with these conditions we will not have to pay any related claim.

Protections and Maintenance

You must:

- take all reasonable precautions for the safety of the item(s) insured.
- ensure that all protections provided for the item(s) covered under this insurance are:
 - i. maintained in good working order, and
 - ii. in full and effective operation whenever the premises where the insured items are located is left unoccupied.

If you fail to comply with this condition we will not have to pay any related claim.

Unattended Vehicles

If unattended vehicle cover is included on your Schedule, the following clause will apply. You must ensure that all items left in an unattended vehicle are kept out of sight and:

- all windows, windscreens, doors and other openings of the vehicle(s) are closed, securely locked and properly fastened;
- any security protections on the vehicle are in full and effective operation.

If you fail to comply with these conditions we will not have to pay any related claim.

In the event of loss or damage by theft we will only cover such loss if the door(s), window(s), windscreen opening, lock or fastening of the vehicle have been damaged by violent forcible means whereby entry, access or theft has been effected.

Maintenance of Records

It is a condition of this insurance that **you** keep accurate records of all purchases, sales and other property in **your** care, custody or control and that such records shall be available for inspection by **us** or **our** representatives in the event of a claim being made. If **you** fail to comply with this condition **we** will not have to pay any related claim

Loan Agreement

Cover extends to include items consigned to third parties subject to **you** having verified the identity of the consignee. All consignments must be covered by an agreement. **You** and/or dealer are to retain copies of such notes. The agreement issued is to contain the following information:

- Name and address of the consignee;
- Date of loan;
- Period of loan, or return date;
- Description and value of item.

It is a condition of this insurance that where items are loaned to a third party **you** and/or dealer are to obtain proof of identity (Passport, National ID Card or Driving Licence) and corresponding confirmation of the consignee's address and retain this information. The agreement between **you** and any named dealer must contain terms/ obligations that the dealer must comply with regarding the steps taken to verify the identity of any third party consignee to whom the dealer may loan the item to. If **you** fail to comply with this condition **we** will not have to pay any related claim.

Keys

It is a condition of this insurance that all keys and duplicate keys capable of operating alarms and all keys and duplicate keys of safes and strong rooms are removed from **your** premises when such premises are not open for business. If **you** fail to comply with this condition **we** will not have to pay any related claim.



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