

ARMS CARE FIREARMS INSURANCE

POLICY FORM

UNDERWRITTEN BY CERTAIN UNDERWRITERS AT LLOYD'S, LONDON
NATIONAL RIFLE ASSOCIATION OF AMERICA

The National Rifle Association of America has procured insurance under **Master Policy POP 100** (hereinafter called the **Master Policy**) issued by Certain Underwriters at Lloyd's, London, England (hereinafter called Underwriters) in respect to Theft, Loss or Damage to Firearms for each member who has been accepted for insurance (hereinafter called "Individual Activated Member").

This document is issued to notify you that your name has been added as an "Individual Activated Member" with respect to the coverage and limits shown in this extract of the above mentioned **Master Policy**. The insurance provided is in accordance with the terms, limitations, period of insurance, conditions and exclusions contained in the **Master Policy** and any attachments thereto. The original **Master Policy** may be inspected at the offices of the Association. (The Underwriters and NRA reserve to themselves the right to cancel and/or non-renew this insurance policy, reduce the amount of coverage, and to add further exclusions, conditions and limitations to the **Master Policy**.)

Any changes, improvements or limitations will be announced in the Official Journal section of the National Rifle Association of America publications of the American Rifleman, the American Hunter and First Freedom. These announcements will be official and binding as of the date of issue.

This document is issued as a Summary of Insurance only and does not constitute a legal contract of insurance.

INSURING AGREEMENTS

I. ATTACHMENT AND CESSATION OF COVERAGE

Coverage shall commence as follows:

- A.** Coverage attaches at 12:01 a.m. Standard Time on June 1, 2012, the effective date of this policy, for all existing "Individual Activated Members". This agreement is subject to annual re-signing each June 1st.
- B.** Coverage attaches for new "Individual Activated Members" on the first day following processing of dues payments at the National Rifle Association Headquarters.

Coverage shall cease for all "Individual Activated Members" in the event that the **Master Policy** is canceled or non-renewed.

II. PROPERTY INSURED, TERRITORY

This Policy covers the individual insured firearms, air guns, bows and arrows, including accessories (as defined herein) (hereinafter called property), while located within the territorial limits of the United States of America, its territories or possessions, and the Virgin Islands. Coverage is extended worldwide for any trip up to a maximum of 60 days.

III. LIMITS OF LIABILITY AND DEDUCTIBLE

Underwriters' maximum limit of liability during any annual policy period of the **Master Policy** for any one "Individual Activated Member" shall be either \$0, \$1,000 or \$2,500 depending on membership status, activation, and activation date.

This limit of liability shall be in excess of a sum of \$100 for each and every claim for loss or damage occurring during any annual period of the **Master Policy**.

IV. 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.

V. EXCLUSIONS

This Policy does not insure against loss or damage:

- A.** 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.** Caused by intentional theft, damage or destruction of covered property by a) members b) employees c) contractors or independent contractors or d) persons to whom the insured property is entrusted. However, this exclusion would not apply in cases where the insured has hired the services of a commercial shipper, airline, train, bus line or similar service provider to transport covered property. In such cases, coverage would apply on an excess basis over any valid and collectible insurance.
- C.** 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 war-like operations. This exclusion shall not be affected by any endorsement which does not specifically refer to it.
- D.** caused by strikers, locked out workmen, or persons taking part in labor disturbances, riots, or civil commotion.

- E.** 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.** caused by rain, snow, sleet or dust to property in the open.
- G.** to property pertaining to the business of a commercial gun dealer.
- H.** to illegal weapons; illegal weapons shall include firearms prohibited by any Federal, State or local jurisdiction, or regulatory agency.
- I.** from theft from a vehicle, unless the theft resulted from a breaking and entering of a locked vehicle or a locked portion of a vehicle.
- J.** to ammunition, bayonets, knives, binoculars, hunting glasses and spotting scopes.
- K.** to cannons (full scale or miniature).
- L.** to clips, magazines, holsters and gun cases, unless the firearm they are used with is part of the loss claimed.

VI. VALUATION CLAUSE

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. Nothing contained in this clause shall be construed as increasing Underwriters' liability as set forth in the limits of liability provision of this policy.

VII. FRAUD

Any false or fraudulent action or statement by an "Individual Activated Member" in respect of any claim for loss or damage under this policy shall automatically void all coverage provided herein for such "Individual Activated Member".

VIII. OTHER INSURANCE

If other valid collectible insurance with any other insurer is available to the "Individual Activated Member" covering a loss that is also covered by this Policy, the insurance afforded by this Policy shall be excess of such insurance. This insurance shall not be primary or contributory to any other insurance unless such condition is specifically endorsed to this policy. Nothing contained herein shall be construed to make this Policy subject to the terms, conditions and limitations of any other insurance.

If other insurance is written as specific excess insurance over the limits of liability of this insurance, then this insurance shall be primary. When this insurance is excess insurance, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured

against the "suit." If no other insurer defends, we will undertake to do so, but will be entitled to the insured's rights against all other insurers.

Without limiting the foregoing and in consideration of the premium charged, this policy is also expressly excess of : (1) any directors and officers insurance policy; and (2) any homeowners insurance policy.

IX. NOTICE OF LOSS

The "Individual Activated Member" shall as soon as practicable report in writing to NRA Endorsed Insurance Program, c/o Lockton Affinity, LLC, PO Box 410679, Kansas City, MO, 64141, every loss which may become a claim under this Policy, and shall also file with the Underwriters or 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 "Individual Activated Member" 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 attempt thereof, larceny, burglary, robbery, mysterious disappearance or vandalism and malicious mischief the "Individual Activated Member" shall report such loss to the police. Failure by the "Individual Activated Member" to report said loss or damage, and to file such sworn proof of loss as herein before provided (and accompanied by the police report when applicable), shall invalidate any claim under this Policy for such loss or damage.

X. EXAMINATION UNDER OATH

The "Individual Activated Member", 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, nor 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 respect 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.

XI. NO BENEFIT TO BAILEE

This insurance shall in no way inure directly or indirectly to the benefit of any carrier or other bailee.

XII. PAIR, SET OR PARTS

In the event of loss 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.

XIII. APPRAISAL

If the "Individual Activated Member" 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; the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested appraiser, 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 "Individual Activated Member" 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 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 "Individual Activated Member" 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.

XIV. SETTLEMENT OF CLAIMS

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 its 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 to do so within sixty (60) days after the receipt of the proof of loss required.

All adjusted claims shall be paid or made good to the "Individual Activated Member" within ninety (90) days after presentation and acceptance of satisfactory proof of interest and loss at the office of the Underwriters or their agent. No loss shall be paid or made good if the "Individual Activated Member" has collected the same from other insurers and/or other parties.

XV. 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 "Individual Activated Member" of the occurrence which gives rise to the 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.

XVI. SUBROGATION

In the event of any payment under this Policy, the Underwriters shall be subrogated to all "Individual Activated Member's" rights of recovery thereof against any person or organization, and the "Individual Activated Member" shall execute and deliver instruments and papers and do whatever is necessary to secure such rights. The "Individual Activated Member" shall do nothing after loss to prejudice such rights.

XVII. SERVICE OF SUIT

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 as follows:

For policies issued in all states except California, Illinois and Kentucky service may be made upon
Fields, Howell, Athans & McLaughlin, LLP
191 Peachtree Street, N.E.
Suite 4600
Atlanta, Georgia 30303

For policies issued in California service may be made upon
Eileen Ridley
FLWA Service Corp.
c/Foley & Lardner LLP
555 California Street, Suite 1700
San Francisco, CA 94104-1520

For policies issued in Illinois service may be made upon
Underwriters Lloyd's London (IL)
181 W. Madison Street, Suite 3870
Chicago IL 60602

For policies issued in Kentucky service may be made upon
Lloyd's Kentucky, Inc.
200 West Main Street
Frankfort, KY 40601-1806

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.

- C.** "Individual Activated Member" shall mean a full member or life member in good standing of the National Rifle Association whose name appears on the National Rifle Association of America membership list, including junior life members (but excluding annual junior members) whose dues have been received by the National Rifle Association of America and are not in arrears at the time of the occurrence, and who is listed in the Activated Member Database with a current activation.

For additional information, including claims information, call TOLL FREE 1 (877)NRA-3006 (1-877-672-3006). You may write to NRA Endorsed Insurance Program, PO Box 410679, Kansas City, MO, 64141.

Insurance Program Administered by Lockton Affinity, LLC

XVIII. CANCELLATION OF INSURANCE

Payment of required membership dues in the National Rifle Association of America automatically continues this insurance. Termination of membership in the National Rifle Association of America shall, without further action by the Underwriters or the National Rifle Association of America, terminate the insurance granted under this policy. Notice to the National Rifle Association of America of cancellation of the policy shall terminate the coverage without further action by the Underwriters.

This policy may be canceled by the National Rifle Association of America by surrender to Underwriters or any of their authorized agents, or by mailing to Underwriters or any of their authorized agents, written notice stating when thereafter such cancellation shall be effective. The policy may be canceled by Underwriters by mailing to the National Rifle Association of America 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. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the National Rifle Association of America or by Underwriters shall be equivalent to mailing. If Underwriters cancel, earned premium shall be computed pro rata. If the National Rifle Association of America cancels, earned premium shall be computed in accordance with the customary short rate table and procedures.

In respect of the coverage afforded in this Policy to each "Individual Activated Member", in the event of cancellation by either the National Rifle Association of America or Underwriters, it shall be the duty and responsibility of the National Rifle Association of America to concurrently notify all the "Individual Activated Members" of the termination of the Policy. Underwriters' liability to the "Individual Activated Members" shall cease as of the effective date of cancellation, regardless of any failure of the National Rifle Association of America to give proper notice.

XIX. 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
1. unscheduled additional barrels with a maximum value of \$1,000 per item,
 2. scheduled additional barrels with an agreed upon value, and
 3. traps used to capture fur-bearing animals.