NATIONWIDE INLAND MARINE DEFINITION

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Section 1. Purpose

The purpose of this instrument is to describe the kinds of risks and coverages which may be classified or identified under state insurance laws as marine, inland marine or transportation insurance, but does not include all of the kinds of risks and coverages which may be written, classified or identified under marine, inland marine or transportation insuring powers, nor shall it be construed to mean that the kinds of risks and coverages are solely marine, inland marine or transportation insurance in all instances.

This instrument shall not be construed to restrict or limit in any way the exercise of any insuring powers granted under charters and license whether used separately, in combination or otherwise.

Section 2. Applicability

Marine or transportation policies may cover under the following conditions:

A. Imports

Imports may be covered wherever the property may be and without restriction as to time, provided the coverage of the issuing companies includes hazards of transportation.

An import, as a proper subject, or marine or transportation insurance, shall be deemed to maintain its character as such, so long as the property remains segregated in such a way that it can be identified and has not become incorporated and mixed with the general mass of property in the United States, and shall be deemed to have been completed when the property has been:

(1) Sold and delivered by the importer, factor or consignee; or

(2) Removed from place of storage and placed on sale as part of importer's stock in trade at a point of sale-distribution; or

(3) Delivered for manufacture, processing or change in form to premises of the importer or of another used for any such purposes.

B. Exports

Exports may be covered wherever the property may be without restriction as to time, provided the coverage of the issuing companies includes hazards of transportation.

An export, as a proper subject of marine or transportation insurance, shall be deemed to acquire its character as such when designated or while being prepared for export and retain that character unless diverted for domestic trade, and when so diverted, the provisions of this ruling respecting domestic shipments shall apply. However,

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this provision shall not apply to long established methods of insuring certain commodities (e.g., cotton).

C. Domestic Shipments

(1) Domestic shipments on consignment, for sale or distribution, exhibit, trial, approval or auction, while in transit, while in the custody of others and while being returned, provided that in no event shall the policy cover on premises owned, leased or operated by the consignor.

(2) Domestic shipments not on consignment, provided the coverage of the issuing companies includes hazards of transportation, beginning and ending within the United States, provided that the shipments shall not be covered at manufacturing premises nor after arrival at premises owned, leased or operated by assured or purchaser.

D. Bridges, Tunnels and Other Instrumentalities of Transportation and Communication (excluding buildings, their improvements and betterments, furniture and furnishings, fixed contents and supplies held in storage)

The foregoing includes:

(1) Bridges, tunnels, other similar instrumentalities, including auxiliary facilities and equipment attendant thereto;

(2) Piers, wharves, docks, slips, dry docks and marine railways;

(3) Pipelines, including on-line propulsion, regulating and other equipment appurtenant to the pipelines, but excluding all property at manufacturing, producing, refining, converting, treating or conditioning plants;

(4) Power transmission and telephone and telegraph lines, excluding all property at generating, converting or transforming stations, substations and exchanges;

(5) Radio and television communication equipment in use as such including towers and antennae with auxiliary equipment, and appurtenant electrical operating and control apparatus;

(6) Outdoor cranes, loading bridges and similar equipment used to load, unload and transport.

E. Personal Property Floater Risk covering individuals and/or generally

(1) Personal Effects Floater Policies;

(2) The Personal Property Floater;

(3) Government Service Floaters;

(4) Personal Fur Floaters;

(5) Personal Jewelry Floaters;

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(6) Wedding Present Floaters for not exceeding ninety (90) days after the date of the wedding;

(7) Silverware Floaters;

(8) Fine Arts Floaters covering paintings, etchings, pictures, tapestries, art glass windows, and other bona fide works of art of rarity, historical value or artistic merit;

(9) Stamp and Coin Floaters;

(10) Musical Instrument Floaters (Radios, televisions, record players and combinations thereof are not deemed musical instruments);

(11) Mobile Articles, Machinery and Equipment Floaters (excluding motor vehicles designed for highway use and auto homes, trailers and semi-trailers except when hauled by tractors not designed for highway use) covering identified property of a mobile or floating nature pertaining to or usual to a household. The policies shall not cover furniture and fixtures not customarily used away from premises where the property is usually kept;

(12) Installment Sales and Leased Property Policies covering property pertaining to a household and sold under conditional contract of sale, partial payment contract or installment sales contract or lease, but excluding motor vehicles designed for highway use. The policies must cover in transit but shall not extend beyond the termination of the seller's or lessor's interest; and

(13) Live Animal Floaters.

F. Commercial Property Floater Risks covering property pertaining to a business, profession or occupation

(1) Radium Floaters;

(2) Physician's and Surgeons' Instrument Floaters. The policies may include coverage of furniture, fixtures and tenant Assured's interest in improvements and betterments of buildings located in that portion of the premises occupied by the assured in the practice of his or her profession;

(3) Pattern and Die Floaters;

(4) Theatrical Floaters, excluding buildings and their improvements and betterments, and furniture and fixtures that do not travel about with theatrical troupes;

(5) Film Floaters, including builders' risk during the production and coverage on completed negatives and positives and sound records;

(6) Salesmen's Samples Floaters;

(7) Exhibition Policies on property while on exhibition and in transit to or from exhibitions;

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(8) Live Animal Floaters;

(9) Builders Risks or Installation Risks covering interest of owner, seller or contractor, against loss or damage to machinery, equipment, building materials or supplies, being used with and during the course of installation, testing, building, renovating or repairing. The policies may cover at points or places where work is being performed, while in transit and during temporary storage or deposit, of property designated for and awaiting specific installation, building, renovating or repairing.

Coverage shall be limited to Builders Risks or Installation Risks where perils in addition to Fire and Extended Coverage are to be insured.

If written for account of owner, the coverage shall cease upon completion and acceptance thereof; or if written for account of a seller or contractor the coverage shall terminate when the interest of the seller or contractor ceases.

(10) Mobile Articles, Machinery and Equipment Floaters (excluding motor vehicles designed for highway use and auto homes, trailers and semi-trailers except when hauled by tractors not designed for highway use and snow plows constructed exclusively for highway use), covering identified property of a mobile or floating nature, not on sale or consignment, or in course of manufacture, which has come into custody or control of parties who intend to use such property for which it was manufactured or created. The policies shall not cover furniture and fixtures not customarily used away from premises where the property is usually kept.

(11) Property in transit to or from and in the custody of bailees (not owned, controlled or operated by the bailor). The policies shall not cover bailee's property at his or her premises.

(12) Installment Sales and Leased Property. Policies covering property sold under conditional contract of sale, partial payment contract, installment sales contract, or leased but excluding motor vehicles designed for highway use. The policies must cover in transit but shall not extend beyond the termination of the seller's or lessor's interest. This section is not intended to include machinery and equipment under certain "lease-back" contracts.

(13) Garment Contractors Floaters.

(14) Furriers or Fur Storers Customers Policies (i.e., policies under which certificates or receipts are issued by furriers or fur storers) covering specified articles the property of customers.

(15) Accounts Receivable Policies, Valuable Papers and Records Policies.

(16) Floor Plan Policies, covering property for sale while in possession of dealers under a Floor Plan or any similar plan under which the dealer borrows money from a bank or lending institution with which to pay the manufacturer, provided:

(a) The merchandise is specifically identifiable as encumbered to the bank or lending institution;

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(b) The dealer's right to sell or otherwise dispose of the merchandise is conditioned upon its being released from encumbrance by the bank or lending institution;

(c) That the policies cover in transit and do not extend beyond the termination of the dealer's interest.

These policies shall not cover automobiles or motor vehicles; merchandise for which the dealer's collateral is the stock or inventory as distinguished from merchandise specifically identifiable as encumbered to the lending institution.

(17) Sign and Street Clock Policies, including neon signs, automatic or mechanical signs, street clocks, while in use as such.

(18) Fine Arts Policies covering paintings, etchings, pictures, tapestries, art glass windows, and other bona fide works of art of rarity, historical value or artistic merit, for account of museums, galleries, universities, businesses, municipalities and other similar interests.

(19) Policies covering personal property which, when sold to the ultimate purchaser, may be covered specifically by the owner under Inland Marine Policies including:

(a) Musical Instrument Dealers Policies, covering property consisting principally of musical instruments and their accessories. Radios, televisions, record players and combinations thereof are not deemed musical instruments.

(b) Camera Dealers Policies, covering property consisting principally of cameras and their accessories.

(c) Furriers Dealers Policies, covering property consisting principally of furs and fur garments.

(d) Equipment Dealers Policies, covering mobile equipment consisting of binders, reapers, tractors, harvesters, harrows, tedders and other similar agricultural equipment and accessories therefore; construction equipment consisting of bulldozers, road scrapers, tractors, compressors, pneumatic tools and similar equipment and accessories therefor; but excluding motor vehicles designed for highway use.

(e) Stamp and Coin Dealers covering property of philatelic and numismatic nature.

(f) Jewelers Block Policies.

(g) Fine Arts Dealers.

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Policies may include coverage of money in locked safes or vaults on the assured's premises. The policies also may include coverage of furniture, fixtures, tools, machinery, patterns, molds, dies and tenant insureds' interest in improvements of buildings.

Drafting Note: This would allow the same limited "money coverage" privilege currently available under Jewelers Block policies to be granted under other block or dealers policies.

(20) Wool Growers Floaters.

(21) Domestic Bulk Liquids Policies, covering tanks and domestic bulk liquids stored therein.

(22) Difference in Conditions Coverage excluding fire and extended coverage perils.

(23) Electronic Data Processing policies.

Drafting Note: Items 22 and 23 authorize these coverages as Inland Marine to meet market demand for such protection.

Section 3. Exceptions

Unless otherwise permitted, nothing in the foregoing shall be construed to permit marine or transportation policies to cover:

A. Storage of assured's merchandise, except as hereinbefore provided.

B. Merchandise in course of manufacture, the property of and on the premises of the manufacturer.

C. Furniture and fixtures and improvements and betterments to buildings.

D. Monies or securities in safes, vaults, safety deposit vaults, bank or assured's premises, except while in the course of transportation.

Chronological Summary of Actions (all references are to the Proceedings of the NAIC).

1933 Proc. 121-127 (adopted).
1953 Proc. II 555-560, 561-572 (amended and reprinted).
1977 Proc. I 26, 28, 666, 667-671 (amended and reprinted).

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This chart is intended to provide readers with additional information to more easily access state statutes, regulations, bulletins or administrative rulings related to the NAIC model. Such guidance provides readers with a starting point from which they may review how each state has addressed the model and the topic being covered. The NAIC Legal Division has reviewed each state's activity in this area and has determined whether the citation most appropriately fits in the Model Adoption column or Related State Activity column based on the definitions listed below. The NAIC's interpretation may or may not be shared by the individual states or by interested readers.

This chart does not constitute a formal legal opinion by the NAIC staff on the provisions of state law and should not be relied upon as such. Nor does this state page reflect a determination as to whether a state meets any applicable accreditation standards. Every effort has been made to provide correct and accurate summaries to assist readers in locating useful information. Readers should consult state law for further details and for the most current information.

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KEY:

MODEL ADOPTION: States that have citations identified in this column adopted the most recent version of the NAIC model in a **substantially similar manner**. This requires states to adopt the model in its entirety but does allow for variations in style and format. States that have adopted portions of the current NAIC model will be included in this column with an explanatory note.

RELATED STATE ACTIVITY: Examples of Related State Activity include but are not limited to: older versions of the NAIC model, statutes or regulations addressing the same subject matter, or other administrative guidance such as bulletins and notices. States that have citations identified in this column **only** (and nothing listed in the Model Adoption column) have **not** adopted the most recent version of the NAIC model in a **substantially similar manner.**

NO CURRENT ACTIVITY: No state activity on the topic as of the date of the most recent update. This includes states that have repealed legislation as well as states that have never adopted legislation.

NAIC MEMBER	MODEL ADOPTION	RELATED STATE ACTIVITY
Alabama	ALA. ADMIN. CODE r. 11 (1978/2008) (Adopts model by reference).	
Alaska		ALASKA STAT. § 21.12.090 (1966).
American Samoa	NO CURRENT ACTIVITY	
Arizona	ARIZ. ADMIN. CODE R20-6-602 (1969/1986).	
Arkansas	ARK. INS. DEPT. ORDER 88-5 (1988).	
California	CAL. CODE REGS. tit. 10, §§ 2320 to 2322 (1954).	
Colorado	COLO. ADMIN. INS. REG. 5-1-6 (1979/2012) (Adopts model by reference).	
Connecticut	NO CURRENT ACTIVITY	
Delaware	18 DEL. CODE REGS. § 2101 (1979/2003).	
District of Columbia	NO CURRENT ACTIVITY	

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NAIC MEMBER	MODEL ADOPTION	RELATED STATE ACTIVITY
Florida	FLA. ADMIN. CODE ANN. r. 69O-167.020 to 69O-167.024 (1980/1992).	
Georgia	NO CURRENT ACTIVITY	
Guam	NO CURRENT ACTIVITY	
Hawaii	NO CURRENT ACTIVITY	
Idaho		IDAHO CODE ANN. § 41-505 (1961).
Illinois	ILL. ADMIN. CODE tit 50, §§ 101.10 to 101.40 (1958/1984).	
Indiana	BULLETIN 35A (1978) (Adopts model by reference).	
Iowa	NO CURRENT ACTIVITY	
Kansas	KAN. ADMIN. REGS. § 40-3-22 (1967/2006).	
Kentucky	806 KY. ADMIN. REGS. 5:040 (1975) (Adopts model by reference).	
Louisiana		LA. REV. STAT. ANN. § 22:6(13) (1969/1983).
Maine	NO CURRENT ACTIVITY	
Maryland	MD. CODE REGS. 31.08.06.01 to 31.08.06.02 (1953/1968).	MD. CODE ANN., INS. § 1-101 (1963/2014).
Massachusetts	211 MASS. CODE REGS. 10.00 and 11.00 (1964) (Adopts model by reference with a few modifications).	
Michigan	NO CURRENT ACTIVITY	
Minnesota	NO CURRENT ACTIVITY	

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NAIC MEMBER	MODEL ADOPTION	RELATED STATE ACTIVITY
Mississippi	NO CURRENT ACTIVITY	
Missouri	MO. CODE REGS. ANN. tit. 20, § 500-1.200 (1964/1979).	
Montana	MONT. CODE ANN. §§ 33-1-221 to 33-1-229 (1981).	
Nebraska	210 NEB. ADMIN. CODE §§ 17-003 to 17-004 (2004). (Adopts model by reference as a guide).	
Nevada		NEV. ADMIN. CODE § 681A (1972/2010).
New Hampshire	NO CURRENT ACTIVITY	
New Jersey	NO CURRENT ACTIVITY	
New Mexico	NO CURRENT ACTIVITY	
New York		Circular Letter 19 (1987).
North Carolina	11 N.C. ADMIN. CODE 10.0307 (1978/1986) (Adopts model by reference).	
Northern Marianas	NO CURRENT ACTIVITY	
North Dakota	Bulletin 82-5 (1982) (Adopts model by reference).	
Ohio	OHIO ADMIN. CODE 3901:1-23 (1978/2007) (Adopts model by reference).	
Oklahoma	OKLA. ADMIN. CODE § 365:15-1-6 (1981).	
Oregon		OR. REV. STAT. §§ 731.174 (1967).
Pennsylvania	31 PA. CODE §§ 91.1 to 91.8 (1982).	
Puerto Rico	P.R. RULE XXVII (1977).	

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NAIC MEMBER	MODEL ADOPTION	RELATED STATE ACTIVITY
Rhode Island	27-4 R.I. CODE R. § 001 (1983).	
South Carolina	NO CURRENT ACTIVITY	
South Dakota		S.D. CODIFIED LAWS §§ 58-9-6 to 58-9-10 (1966).
Tennessee	NO CURRENT ACTIVITY	
Texas	TEX. ADMIN. CODE §§ 5.5001 to 5.5003 (1984/1998).	
Utah		UTAH CODE ANN. § 31A-1-301 (84) (1987/2014).
Vermont	NO CURRENT ACTIVITY	
Virgin Islands	NO CURRENT ACTIVITY	
Virginia	NO CURRENT ACTIVITY	
Washington	WASH. ADMIN. CODE 284-20-030 to 284-20-050 (1956/1998).	
West Virginia		W. VA. CODE § 33-1-10(d) (1982).
Wisconsin		WIS. ADMIN. CODE INS. § 6.75 (1982).
Wyoming	NO CURRENT ACTIVITY	

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