

Control of Damaged Goods Clause (Version 2)

Notwithstanding anything to the contrary contained elsewhere herein, it is understood and agreed that in case of damage by an insured peril to goods and/or merchandise insured under this Policy, the Insured is to retain control of all damaged goods. The Insured, however, agrees wherever practicable to recondition and sell such goods after removal of all brands and trademarks.

The Insured shall be the sole judge where the disposal or sale of such damaged goods is detrimental to their interest or which they are unable to sell or dispose of under their agreement with any trade association. Such damage shall, after notification to the Insurers, **be treated as a constructive total loss** and the Insured shall dispose of the damaged goods to their best advantage, the Insurers being entitled to such proceeds, or they shall be destroyed in the presence of a representative of the Insurers and the Insured.

In case of conflict between this clause and body of the policy or other additional clauses, this clause shall prevail. All other terms, conditions, and exclusions of the policy shall remain unchanged.