

## **MARINE OPEN CARGO POLICY**

### **Syndicate Listing – 100% WTK #457**

In accordance with your instructions, we have effected insurance with certain Underwriters at Lloyd's, hereinafter referred to as Underwriters; in consideration of premiums to be paid at the rates set forth in the attached schedules, or as may be agreed upon from time to time, subject to the Clauses contained under this insurance and all other terms, conditions, exclusions and warranties hereinafter set forth, unless modified or superseded elsewhere herein or endorsed hereon..

**Policy Number:** POLICYNUM

**Named Assured:** ACCTNAME And/or Associated, Affiliated or Subsidiary Companies, Corporations, Firms or Organizations as may now exist or may become established, hereinafter referred to as the Assured.

**Mailing Address:** ADDRESS1 ADDRESS2, CITY, STATECODE POSTALCODE

**Policy Period:** Twelve (12) months cover effective POLEFFDATE 12:01 A.M. standard time at the address of the Assured as stated herein and expiring POLEXPDATE 12:01 A.M. This insurance to include all sendings but subject to cancellation by either the Assured or Underwriters giving Notice of Cancellation as per the cancellation clause defined herein.

#### **Limits of Liability**

Underwriters shall not be liable for more than:

- \$ any one vessel or conveyance, except that in the following cases this insurance shall not cover for more than:
- \$ any one vessel subject to an On-Deck bill(s) of lading;
- \$ any one aircraft or conveyance;
- \$ any one barge, except as a connecting conveyance;
- \$ package by parcel post, mail or similar parcel delivery service;
- \$ any one land or air conveyance for U.S. and/or Canada domestic transit only any one.

#### **Goods Insured**

To cover all lawful goods of every description; however, the following commodities are excluded unless agreed upon in writing by Underwriters: fresh foods; live animals; flowers; plants; cigarettes; fine arts; cotton; eggs; cash in transit; specie; securities and other negotiable papers; bulk products; jewelry and precious stones and metals; mobile/cellular telephones; laptop and tablet computers and similar; and computer memory modules and cards.

#### **Deductible**

As per Clause 15.

#### **Premium**

Premium payable monthly in accordance with the schedule of rates endorsed hereon.

In witness whereof, Roanoke Trade Services, Inc., as authorized by certain Underwriters at Lloyd's as per Contract No. B1097ABI111011, have caused this Policy to be executed and attested, but this Policy shall not be valid unless countersigned below by a duly authorized representative of Roanoke Trade Services, Inc.

By: \_\_\_\_\_ Date: January 30, 2012  
Roanoke Trade Services, Inc., Authorized Representative

## CLAUSE INDEX

CLAUSE NAME	CLAUSE NUMBER
Account	3
Accumulation	6
Airfreight Replacement	24
Atomic and Nuclear Exclusion	62
Authority to Issue Certificates	51
Average Terms and Conditions	15
Both to Blame	19
Brands and Trademarks	21
Cancellation	9
Cargo ISM	64
Cargo Ism Forwarding Charges	28
Carrier	11
Certificates of Insurance	50
Change of Destination	35
Combined F.O.B./F.A.S. Sales and Contingency Insurance for Unpaid Vendor	57
Consolidation/Deconsolidation	34
Constructive Total Loss	38
Contingency Insurance for Assured as Consignee	58
Conveyances, Craft and Lighter	10
Debris Removal	23
Deliberate Damage/Pollution Hazard	26
Deliberate Damage by Customs Service	27
Demurrage Charges	42
Deviation/Errors and Omissions	33
Expenses to Inspect, Repackage and Reship	22
F.O.B./F.A.S. Sales	56
F.O.B./F.A.S. Purchases	32
Fraudulent Bills of Lading	13
Full Value Reporting	8
Fumigation	29
General Average	17
General Exclusions	60
Geographical Limits	1
Import Duty and Freight Payable on Delivery	55
Increased Value	59
Inspection of Records	54
Institute Cyber Attack Exclusion	67
Institute Marine Policy General Provisions revised	46

### CLAUSE INDEX (CONTINUED)

CLAUSE NAME	CLAUSE NUMBER
Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion	65
Institute Service of Suit (USA)	45
Interest	5
Labels	41
Landing, Warehousing and Forwarding Charges	18
Letters of Credit	52
Machinery	40
Notice of Loss	43
Notice of Suit	44
Other Insurance	49
Pairs and Sets Clause	25
Partial Loss	39
Payee	4
Payment on Account	47
Radioactive Contamination Exclusion, U.S.A. Endorsement	66
Refused or Returned Shipments	36
Reports of Shipments	53
Sanction Limitation and Exclusion	69
Seaworthiness	12
Shore Coverage	30
SR&CC Exclusion	63
Subrogation	48
Sue and Labor	20
Termination of Transit (Terrorism)	37
Terrorism	16
Transit	31
U.S. Economic and Trade Sanctions	2
UK Export Control Order 2008 – Revocation of Licenses Clause	68
Valuation	7
Vessel Classification Clause	14
War Exclusion	61
Strikes, Riots & Civil Commotions	Endorsement 1
American Institute (AIMU) Amended War Risk Only (Cargo) Clauses	Endorsement 2
Contingent Cargo Legal Liability	Endorsement 3
Schedule of Rates	Endorsement 4

## SECTION 1: General Conditions

### 1. Geographical Limits

To and from ports and or places in the World to ports and or places in the World (but excluding entirely shipments to/from **Afghanistan, Iran, Iraq, Somalia, Sudan** and truck/rail shipments to/from and within **Mexico** other than as a connecting conveyance), with privilege of transshipment by land and/or water. Also including domestic shipments within the forty-eight (48) contiguous United States and Canada. All other domestic shipments are excluded unless specifically endorsed hereon.

Regardless of the Duration of Risk clauses found elsewhere in this Policy, coverage for shipments to **Haiti, Nigeria, Pakistan**, and the **Commonwealth of Independent States (CIS)** ceases upon discharge from the ocean vessel or aircraft.

The CIS presently includes: Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

### 2. U.S. Economic and Trade Sanctions

Whenever coverage provided by this Policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void. Similarly, any coverage relating to or referred to in any certificates or other evidences of insurance or any claim that would be in violation of U.S. economic or trade sanctions as described above shall also be null and void.

### 3. Account

For account of whom it may concern.

### 4. Payee

Loss, if any, payable to the Assured or order.

### 5. Interest

This insurance is to cover all shipments made by or to the Assured or by or to others for the Assured's account or control, or in which the Assured may have an interest, also to cover all shipments for the account of others on which the Assured may receive instructions to insure or deem themselves responsible to insure, prior to sailing of vessel and prior to any known or reported loss or accident. This Policy does not and is not intended to provide any legal liability coverage, except as explicitly agreed, absent a specific endorsement herein to the contrary.

### 6. Accumulation

Should there be an accumulation of interest beyond the limits expressed in this Policy by reason of any interruption of transit and/or occurrence beyond the control of the Assured, or by reason of any casualty and/or at a transshipping point, and/or on a connecting steamer or conveyances, Underwriters shall hold covered such excess interest and shall be liable for the full amount at risk, but in no event to exceed twice the applicable Policy limit, provided notice be given to Underwriters as soon as known to the Assured.

### 7. Valuation

- A. *Commercial Goods and/or Merchandise (under invoice)*: Valued at amount of invoice, including all charges therein, plus any prepaid and/or advanced and/or guaranteed freight, if any, plus 10%; or at amounts declared and agreed by Underwriters prior to shipment.
- B. *Commercial Goods and/or Merchandise (not under invoice)*: Valued and insured for the fair market value at place of shipment or arrival, provided such declaration be made prior to shipment. It is

further agreed that irrespective of the value insured, claims for repairs shall be payable for the fair market costs of such repairs but in no event for more than the insured value.

In no event shall claims exceed the value declared prior to shipment and declared for premium purposes. Foreign currency to be converted into U.S. dollars at rate of exchange current in New York on date of invoice.

## **8. Full Value Reporting**

If the total value at risk exceeds the limit of liability provided by this insurance, the Assured shall nevertheless, as soon as known, report the full amount at risk to Underwriters and shall pay full premium thereon, in consideration of which the principle of co-insurance is waived by Underwriters.

Acceptance of such reports and premium shall not alter or increase the limit of liability of Underwriters but Underwriters shall be liable for the amount of covered loss up to but not exceeding the applicable limit of liability.

## **9. Cancellation**

This Policy shall be subject to 30 days Notice of Cancellation, by either party, giving the other party written notice to that effect, but such cancellation shall not affect any risk on which this insurance has attached prior to the effective date of such notice.

Notwithstanding the foregoing notice period, Underwriters may effect immediate cancellation by giving written notice thereof at any time when premiums have been due and unpaid for a period of thirty (30) days or more.

## **10. Conveyances, Craft and Lighter**

This insurance shall attach on shipments by iron and/or steel vessels (propelled solely by mechanical power), aircraft, metal barges, rail and/or truck, and in all cases, including connecting conveyances. This insurance shall further include transit by craft, raft or lighter to or from the vessel with each craft, raft or lighter to be deemed a separate insurance. The Assured are not to be prejudiced by any agreement exempting lightermen from liability.

## **11. Carrier**

This insurance shall not directly or indirectly benefit or insure any carrier or bailee.

## **12. Seaworthiness**

The seaworthiness of the vessel operating as a common carrier is hereby admitted as between the Assured and Underwriters and the wrongful act or misconduct of the ship-owner or his employees causing a loss is not to defeat the recovery by an innocent Assured if the loss in the absence of such wrongful act or misconduct would have been a loss recoverable on this Policy. With leave to sail with or without pilots, and to tow and assist vessels or craft in all situations, and to be towed. The Assured is not to be prejudiced by the presence of the negligence clause and/or latent defect clause in the Bill(s) of Lading and/or Charter Party.

## **13. Fraudulent Bills of Lading**

This insurance covers physical loss or damage to goods insured under this Policy occasioned through the acceptance by the Assured and/or their agents or shippers of fraudulent Bills of Lading and/or shipping receipts and/or messenger receipt.

Also to cover loss or damage caused by the utilization of legitimate bills of lading and/or other shipping documents without the authorization and/or consent of the Assured or their agents.

In no event, however, does this insurance cover loss or damage arising from the shipper's fraud or misstatement.

#### 14. Vessel Classification Clause

This insurance covers shipments as specified herein, shipped on:

- A. Metal-hulled, self-propelled vessels which are not over 20 years of age nor less than 1,000 net registered tons and which are classed A1 American Record or equivalent by a member of the International Association of Classification Societies; or
- B. Vessels over 20 years of age but less than 40 years of age, which are approved by Underwriters, and which are not less than 1,000 net registered tons and classed as in (A) above, but only while operating in their regular trades, shall be subject to additional premiums;
- C. Vessels over 40 years of age and/or vessels not classed A1 American Record or equivalent by a member of the International Association of Classification Societies, which are approved by Underwriters, **but only while operating in their regular trades**, shall be subject to additional premiums and the following conditions:
  - 1) an additional deductible of three percent (3%) of the total insured value (subject to a minimum deductible of \$1,000) shall apply;
  - 2) a maximum limit of liability of \$1,000,000 any one vessel shall apply.
- D. Barges (other than as a connecting conveyance), which are approved by Underwriters, **but only while operating in their regular trades**, shall be covered by this insurance even though the Policy Limits for same may otherwise be nil. However, additional premiums and the following special conditions shall apply:
  - 1) an additional deductible of three percent (3%) of the total insured value (subject to a minimum deductible of \$1,000) shall apply;
  - 2) a maximum limit of liability of \$250,000 any one barge shall apply.
- E. But in any case, excluding shipments on:
  - 1) **chartered** vessels that are not classed A1 American Record or equivalent by a member of the International Association of Classification Societies;
  - 2) **chartered** vessels over 40 years of age;
  - 3) vessels on break-up voyages;
  - 4) **chartered** barges;
  - 5) vessels built for service on the Great Lakes;
  - 6) vessels built solely for Military or Naval Service; or
  - 7) vessels built for carriage of dry bulk or liquid bulk cargoes, and which are more than 15 years of age.

The above provisions shall not, however, prejudice any claim hereunder, when presentation of the advice of such claim to Underwriters is the first indication that a transshipment, beyond control of the Assured, has been made by a vessel which is not covered above, provided the appropriate additional premium is paid as soon as practicable thereafter.

#### 15. Average Terms and Conditions

- A. *"All Risks"*  
Unless otherwise specified below, this Policy insures new approved goods against "All Risks" of physical loss or damage from any external cause, except as excluded by the Clauses in Section 7 of this Policy.

**Record deductibles and exclusions here as appropriate**

- B. *Optional FPA Terms*  
Option is hereby granted the Assured, when exercised and so declared to Underwriters prior to sailing of vessel and before any known or reported loss or accident, approved goods may be insured:

Warranted Free from Particular Average (FPA) unless the vessel or craft be stranded, sunk or burnt, but notwithstanding this warranty Underwriters are to pay any loss or damage to the interest insured which may reasonably be attributed to fire, collision or contact of the vessel and/or conveyance with any external substance (ice included) other than water, or to discharge of cargo at port of distress;

and also to pay the insured value of any merchandise and/or goods jettisoned and/or washed or lost overboard.

If shipment is by aircraft - FPA AIR PERILS shall apply. Warranted Free from Particular Average unless caused by the aircraft suffering an accident in takeoff or landing, or coming to earth at a place other than an airfield, or in a collision with another aircraft; or being on fire or by jettison.

Note: Wherever FPA terms appear in this Policy, they are deemed to also include FPA Air Perils.

For an additional premium, coverage may be extended to include theft and/or non-delivery of an entire shipping package.

C. Used Goods – FPA Terms

Used goods are insured Warranted Free from Particular Average (FPA) unless the vessel or craft be stranded, sunk or burnt, but notwithstanding this warranty Underwriters are to pay any loss or damage to the interest insured which may reasonably be attributed to fire, collision or contact of the vessel and/or conveyance with any external substance (ice included) other than water, or to discharge of cargo at port of distress; and also to pay the insured value of any merchandise and/or goods jettisoned and/or washed or lost overboard.

For an additional premium, coverage may be extended to include theft and/or non-delivery of an entire shipping package.

D. *“On Deck” Bill of Lading – FPA Terms*

Goods on deck subject to an on deck bill of lading are insured Warranted Free from Particular Average (FPA) unless the vessel or craft be stranded, sunk or burnt, but notwithstanding this warranty Underwriters are to pay any loss or damage to the interest insured which may reasonably be attributed to fire, collision or contact of the vessel and/or conveyance with any external substance (ice included) other than water, or to discharge of cargo at port of distress; and also to pay the insured value of any merchandise and/or goods jettisoned and/or washed or lost overboard.

Notwithstanding the foregoing, goods insured shipped on deck under an under deck bill of lading, without the knowledge and consent of the shipper, shall be treated as under deck cargo and insured as per sub-division A of this Clause.

## 16. Terrorism

It is agreed that in accordance with the provisions of the US Terrorism Risk Insurance Act of 2002, where coverage for acts of terrorism is already included in this Policy, the portion of the annual premium stated elsewhere in this Policy attributable to coverage for such acts of terrorism is ½ of 1% of the annual premium.

## **SECTION 2: Additional Coverages**

### **17. General Average**

This insurance covers general average and salvage charges, adjusted or determined according to the contract of carriage and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from any cause. Such payments shall be payable in full, irrespective of insured or contributory values.

### **18. Landing, Warehousing and Forwarding Charges**

Notwithstanding any average warranty contained herein, if this policy in the absence of such warranty would be liable, Underwriters agree to pay for the following: landing, warehousing, forwarding and special charges; any partial loss arising from transshipment; the insured value of any package, piece, or unit totally lost in loading, transshipment or discharge; and for any loss or damage to the goods insured which may be reasonably attributed to discharge of cargo at port of distress.

### **19. Both to Blame**

This insurance indemnifies the Assured, in respect of any risk insured herein, against liability incurred under any Both to Blame Collision Clause in the contract of carriage. In the event of any claim by carriers under the said Clause, the Assured agree to notify Underwriters, who shall have the right, at their own cost and expense, to defend the Assured against such claim.

### **20. Sue and Labor**

In the event of any imminent or actual loss or misfortune, it is the duty of the Assured and their employees and agents to take all reasonable measures to avert or minimize losses insured against by this Policy and to ensure that all rights against third parties are preserved and exercised. Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.

### **21. Brands and Trademarks**

In case of damage to goods bearing a brand or trademark, the sale of which in any way carries or implies a guarantee of the supplier or Assured, the salvage value of such damaged goods shall be determined after removal of all brands and trademarks. On containers from which the brand or trademark cannot be removed, contents shall be transferred to plain bulk containers. With respect to any merchandise, and/or containers from which it is impracticable to destroy all evidence of the Assured's connection therewith, Underwriters agree to consult with the Assured with respect to the disposition of said merchandise and/or containers.

### **22. Expenses to Inspect, Repackage and Reship**

This insurance covers additional expenses to inspect, repackage, and reship goods insured if such expenses are the result of such goods insured being involved in an accident caused by one or more of the risks insured against herein.

### **23. Debris Removal**

This insurance is extended to cover, in addition to any other amount recoverable under this insurance, extra expenses reasonably incurred by the Assured for the removal and disposal of debris of the goods insured, or part thereof, by reason of damage thereto caused by an insured risk, but excluding absolutely:

- A. any expenses incurred in consequence of or to prevent or mitigate pollution or contamination, or any threat or liability thereof;
- B. the cost of removal of goods insured from any vessel or craft.

In no case shall Underwriters be liable under this clause for more than 10% of the insured value under this Policy of the damaged goods removed.



#### **24. Airfreight Replacement**

In the event of a covered claim for loss of or damage to the goods insured, Underwriters agree to pay the costs of air-freighting the damaged parts to manufacturers for repair and return, or the air-freighting of replacement parts from suppliers to destination, even if the goods insured were not originally dispatched by airfreight.

#### **25. Pairs and Sets Clause**

In the event of a covered claim for loss of or damage to one or more pieces of a set consisting, when complete for sale or use, of two or more component pieces, the liability of Underwriters shall be to pay the insured value of the total set.

#### **26. Deliberate Damage/Pollution Hazard**

This insurance covers, but only while the goods insured are on board a waterborne conveyance, loss of or damage to goods directly caused by governmental authorities acting for the public welfare to prevent or mitigate a pollution hazard or threat thereof, provided that the accident or occurrence creating the situation which required such governmental action would have resulted in a recoverable claim under the Policy (subject to all of its terms, conditions and warranties) if the goods insured would have sustained physical loss or damage as a direct result of such accident or occurrence. The coverage afforded hereunder shall not increase the Limits of Liability provided under this insurance.

#### **27. Deliberate Damage by Customs Service**

This insurance covers physical loss of or damage to goods insured arising out of the performance of inspection duties of Customs Services or another duly constituted governmental agency.

#### **28. Cargo Ism Forwarding Charges (JC98/023 dated June 4, 1998)**

This insurance is extended to reimburse the Assured, up to the limit of the sum Insured for the voyage, for any extra charges properly and reasonably incurred in unloading, storing and forwarding the goods to the destination to which it is insured hereunder following release of cargo from a vessel arrested or detained at or diverted to any other port or place (other than the intended port of destination) where the voyage is terminated due to either

- A. to such vessel not being certified in accordance with the ISM Code; or
- B. to a current Document of Compliance not being held by her owners or operators as required under the SOLAS Convention 1974 as amended.

This clause, which does not apply to General Average or Salvage or Salvage Charges, is subject to all other terms, conditions and exclusions contained in this Policy.

#### **29. Fumigation**

In the event that any vessel, conveyance, wharf or warehouse is fumigated by order of properly constituted authority and loss or damage to goods insured results therefrom, Underwriters agree to indemnify the Assured for such loss or damage and the Assured agrees to subrogate to Underwriters any recourse that the Assured may have for recovery of such loss or damage from others.

#### **30. Shore Coverage**

Including while on docks, wharves or elsewhere on shore and/or during land transportation, risks of collision, derailment, fire, lightning, sprinkler leakage, wind, hail, flood, earthquake, landslide, volcanic eruption, aircraft, objects falling from aircraft, the rising of navigable waters, or any accident to the conveyance and/or collapse and/or subsidence of docks and/or structures, and to pay loss or damage caused thereby, even though the insurance is otherwise FPA.

## SECTION 3: Duration of Risk Clauses

### 31. Transit

Subject to Clause 46A, this insurance attaches from the time the goods insured commences transit and/or is located anywhere incidental to transit until transportation terminates at final destination.

For the purpose of this clause, final destination shall be defined as delivery to the Consignee's warehouse or place of storage or any other warehouse or place of storage which the Assured or their employees elect to use either for storage other than during ordinary course of transit or for allocation or distribution.

Coverage shall further include the risk of loading onto carrying conveyances or into containers immediately prior to dispatch and unloading from carrying conveyances or containers immediately after arrival at Assured's or Consignee's premises.

### 32. F.O.B/F.A.S. Purchases

Coverage commences from the time the goods leave the supplier's factory, warehouse, store or mill, notwithstanding the goods and/or interest may have been purchased Free on Board (F.O.B.), Free Alongside Ship (F.A.S.) or Cost and Freight (C&F), and the Assured subrogating their right of recourse against suppliers for any loss or damage that may occur prior to delivery at the point designated in the applicable F.O.B., F.A.S. or C&F terms.

### 33. Deviation/Errors and Omissions

This insurance shall not be vitiated by any unintentional error in description of vessel, voyage or interest, or by deviation, over carriage, change of voyage, transshipment or any other interruption in the ordinary course of transit from causes beyond the control of the Assured. Furthermore, this insurance shall not be prejudiced by any unintentional delay or inadvertent omission in reporting hereunder. It is agreed, however, that any such error, deviation or other occurrence mentioned above shall be reported to Underwriters as soon as known to the Assured and additional premium paid if required.

### 34. Consolidation/Deconsolidation

This insurance is extended to cover the goods insured wherever same is stopped in transit, anywhere in the world, short of final destination, whether prior to loading and/or after discharge from overseas vessel or at any transshipment point for the purpose of consolidation, deconsolidation, packing, repacking, containerization, de-containerization, distribution, redistribution, on or at the premises of freight forwarders, consolidators, truckers, warehousemen, or others anywhere in the world for a period not exceeding sixty (60) days after receipt of the goods insured at such premises.

### 35. Change of Destination

In case of voluntary change of destination, deviation and/or delay, within the Assured's control, the goods insured shall be held covered. The Assured agrees to report all such changes as soon as practicable after they have knowledge of them and to pay premium if required, at rates to be agreed.

### 36. Refused or Returned Shipments

In the event of refusal or inability of the Assured or other consignee to accept delivery of goods insured hereunder, this insurance is extended to cover such shipments subject to original insured value and insuring conditions while awaiting shipment or reshipment and/or return or until otherwise disposed. The Assured agrees to report all such shipments as soon as practicable after they have knowledge of them and to pay premium if required, at rates to be agreed.

### 37. Termination of Transit (Terrorism) (JC2009/056 DATED January 1, 2009)

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

- A. Notwithstanding any provision to the contrary contained in this Policy or the Clauses referred to therein, it is agreed that in so far as this Policy covers loss of or damage to the goods insured caused by any act of terrorism being an act of any person acting on behalf of, or in connection with, any organization which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted or any person acting from a political, ideological or religious motive, such cover is conditional upon the goods insured being in the ordinary course of transit and, in any event, SHALL TERMINATE:

either

- 1) As per the transit clauses contained within the Policy, or
- 2) on completion of unloading from the carrying vehicle or other conveyance in or at the final warehouse or place of storage at the destination named in the contract of insurance,
- 3) on completion of unloading from the carrying vehicle or other conveyance in or at any other warehouse or place of storage, whether prior to or at the destination named in the Policy, which the Assured or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, or
- 4) when the Assured or their employees elect to use any carrying vehicle or other conveyance or any container for storage other than in the ordinary course of transit, or
- 5) in respect of marine transits, on the expiry of 60 days after completion of discharge overseas of the goods insured from the overseas vessel at the final port of discharge,
- 6) in respect of air transits, on the expiry of 30 days after unloading the goods insured from the aircraft at the final place of discharge,

whichever shall first occur.

- B. If this Policy or the Clauses referred to therein specifically provide cover for inland or other further transits following on from storage, or termination as provided for above, cover will re-attach, and continues during the ordinary course of that transit terminating again in accordance with A above.

## **SECTION 4: Loss Adjustment Clauses**

### **38. Constructive Total Loss**

No claim for Constructive Total Loss shall be recoverable under this insurance unless the goods insured are reasonably abandoned either on account of its actual total loss appearing to be unavoidable or because the cost of recovering, reconditioning and forwarding the goods insured to the destination to which it is insured would exceed its value on arrival.

### **39. Partial Loss**

In case of partial loss or damage insured against by this Policy, a separation of sound and damaged goods insured shall be made and the amount of loss determined by:

- A. an agreed percentage of depreciation, in which event the Assured shall receive such percentage of the insured value of the damaged goods insured, or, if there is no agreement;
- B. sale of the damaged goods insured, in which event the Assured shall receive the difference between the insured value of the damaged goods insured sold and the proceeds of sale.

### **40. Machinery**

In the event of loss of or damage to any part(s) of an insured machine or other manufactured item consisting of more than one part caused by a peril covered by this insurance, the sum recoverable shall not exceed the cost of replacement or repair of such part(s) plus labor for (re)fitting and carriage costs. Duty incurred in the provision of replacement or repaired part(s) shall also be recoverable provided that the full duty payable on the insured machine or manufactured item is included in the amount insured. The total liability of Underwriters shall in no event exceed the amount insured of the machine or manufactured item. (Institute Replacement Clause CL372 December 1, 2008)

### **41. Labels**

In case of damage affecting labels, capsules or wrappers, Underwriters, if liable under the terms of this Policy, shall not be liable for more than an amount sufficient to pay the cost of new labels, capsules or wrappers and the cost of reconditioning the goods, but in no event shall Underwriters be liable for more than the insured value of the damaged merchandise.

### **42. Demurrage Charges**

Should Underwriters instruct the Assured to hold a container, and the Assured is assessed a late penalty and/or demurrage charge for holding the container past the return date, Underwriters will pay the late penalties and/or demurrage charges. The amount Underwriters will pay shall be the charges assessed from the time Underwriters direct the Assured to hold the container until the time Underwriters inform the Assured that the container can be released.

### **43. Notice of Loss**

In case of actual or expected loss of or damage to the goods insured, it shall be reported to the Underwriters or their claim representatives as soon as practicable upon knowledge by the Assured of the actual or expected loss.

### **44. Notice of Suit**

No suit, action or proceeding against Underwriters for recovery of any claim shall be sustainable unless commenced within one year from the date of the happening of the accident out of which the claim arises, provided that if such limitation is invalid by the laws of the state within which the Policy is issued then such suit, action or proceeding shall be barred unless commenced within the shortest limit of time permitted by the laws of such state.

### **45. Institute Service of Suit (USA) CL.355 November 1, 1992**

It is agreed that in the event of the failure of the Underwriters severally subscribing this insurance (the Underwriters) to pay any amount claimed to be due hereunder, the Underwriters, at the request of the

Assured, will submit to the jurisdiction of a court of competent jurisdiction within the United States of America.

Notwithstanding any provision elsewhere in this insurance relating to jurisdiction, it is agreed that the Underwriters have the right to commence an action in any court of competent jurisdiction in the United States of America, and nothing in this clause constitutes or should be understood to constitute a waiver of the Underwriters' rights to remove an action to a United States Federal District Court or to seek remand therefrom or to seek a transfer of any suit to any other court of competent jurisdiction as permitted by the laws of the United States of America or any state therein.

Subject to the Underwriters' rights set forth above:

- A. It is further agreed that the Assured may serve process upon any senior partner in the firm of: Mendes & Mount (Attorneys), 750 Seventh Avenue, New York, 10019-6829 (California Assureds shall serve process upon Mendes & Mount, 445 South Figueroa Street, Los Angeles, CA 90071; Kentucky Assureds shall serve process upon Lloyds Kentucky, Inc. 200 West Main Street, Frankfort, KY 40601) and that in any suit instituted against any one contract the Underwriters will abide by the final decision of the Court or of any Appellate Court in the event of an appeal.
- B. 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 Assured to give a written undertaking to the Assured that they will enter a general appearance upon the Underwriters' behalf in the event such a suit shall be instituted.
- C. The right of the Assured to bring suit as provided herein shall be limited to a suit brought in its own name and for its own account. For the purpose of suit as herein provided the word Assured includes any mortgagee under a ship mortgage which is specifically named as a loss payee in this insurance and any person succeeding to the rights of any such mortgagee.
- D. Further, pursuant to any statute of any state, territory or district of the United States of America 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 (the Officer), 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 Assured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above-named as the person to whom the Officer is authorized to mail such process or a true copy thereof.

#### **46. Institute Marine Policy General Provisions revised CL.269 October 1, 1982 (Amended)**

The following general provisions are incorporated in this contract:

- A. *Insurable Interest*
  - 1) In order to recover under this insurance, the Assured must have an insurable interest in the goods insured at the time of the loss.
  - 2) Subject to (1) above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.
- B. *Duty of Assured*

It is the duty of the Assured and their employees and agents in respect of loss recoverable hereunder

  - 1) to take such measures as may be reasonable for the purpose of averting or minimizing such loss, and
  - 2) To ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.
- C. *Waiver*

Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the goods insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

**47. Payment on Account**

Underwriters agree that where claim papers submitted demonstrate that only the quantum of the claim is in question, they will make a "payment on account" equal to 75% of the lower of the amounts claimed and agreed by Underwriters.

**48. Subrogation**

It is a condition of this insurance that upon payment of any loss, Underwriters shall be subrogated to all rights of the Assured against third parties with respect to such loss. It is a further condition of this insurance that if the Assured or any Claimant impairs or diminishes the rights to which Underwriters would be subrogated upon payment, Underwriters may deduct from such payment a sum equal to the estimated recovery lost by reason of the Assured's or Claimant's action or inaction.

**49. Other Insurance**

If at the time of loss or damage there is available to the Assured or any other interested party, any other insurance which would apply in the absence of this Policy, the insurance provided for hereunder shall apply only as excess insurance over such other insurance.

## **SECTION 5: Certificates and Reporting**

### **50. Certificates of Insurance**

Underwriters agree to issue "Claims Payable Abroad" and "Claims Payable London" certificates as required subject to the inclusion of the following clause:

"The Clauses referred to herein are those current at the inception of this open cover but should such clauses be revised during the period of this open cover and provided that Underwriters shall have given at least 30 days notice thereof, then the revised Clauses shall apply to risks attaching subsequent to the date of expiry of said notice."

### **51. Authority to Issue Certificates**

Authority is hereby granted the Assured to issue Underwriters' certificates hereunder, provided such certificates shall conform to the terms and conditions of this Policy and/or any written instructions that are or may be given by Underwriters and/or Roanoke Trade Services, Inc. from time to time. All such certificates issued shall be countersigned by a duly authorized representative of the Assured.

### **52. Letters of Credit**

It is agreed that Certificates and/or Policies may be issued hereunder to the Assured to comply with the insurance requirements of any letter of credit and/or sales contract concerned, provided the cover required is not wider than that provided by the current Policy Wording. In the event that wider coverage is required, prior agreement of Underwriters is to be obtained at an additional premium to be agreed.

### **53. Reports of Shipments**

Unless otherwise agreed, it is a condition of this insurance that the Assured is to report to ROANOKE TRADE SERVICES, INC. for transmission to Underwriters, as soon as practicable after becoming known to the Assured each and every shipment and/or interest coming within the terms hereof. Premium shall be paid by the Assured at rates as agreed. Willful failure to make such reports shall render this Policy voidable at Underwriter's option.

### **54. Inspection of Records**

Underwriters or their duly appointed representative shall be permitted at any time during business hours during the time this Policy is in force, or within a year after its termination, to inspect the records of the Assured as respects goods insured within the terms of this Policy.

## **SECTION 6: Other Coverages**

### **55. Import Duty and Freight Payable on Delivery**

This insurance also covers, subject to Policy terms of average, the risk of partial loss by reason of perils insured against on freight payable on delivery (unless guaranteed or payable "vessel lost or not lost") and/or on duties imposed on goods imported into the United States or Canada and insured hereunder, it being understood and agreed, however, that when the risk upon the goods continues beyond the time of landing from the overseas vessel, the increased value, consequent upon the payment of such freight and/or duties, shall attach as an additional insurance upon the goods from the time such freight and/or duty is paid or becomes due to the extent of the amounts thereof actually paid or payable.

Any limit of liability expressed in this Policy shall be applied separately to such increased value.

The Assured will, in all cases, use reasonable efforts to obtain abatement or refund of duties paid or claimed in respect of goods lost, damaged or destroyed. It is further agreed that the Assured shall, when Underwriters so elect, surrender the merchandise to the Customs authorities and recover duties thereon as provided by law, in which event the claim under this Policy shall be only for a total loss of the merchandise so surrendered and expenses.

This insurance on freight payable on delivery and/or duty shall terminate at the end of the import movement covered under this Policy, but nothing contained in this clause shall alter or affect any coverage granted elsewhere in the Policy during the storage or transit subsequent thereto.

The Assured agrees that on each shipment insured under this clause, a separate amount shall be reported sufficient to cover said freight and/or duty, upon which premium shall be payable at an agreed percentage of the merchandise premium.

### **56. F.O.B./F.A.S. Sales**

This insurance is extended to cover shipments originating in the Continental United States and sold by the Assured on F.O.B., F.A.S. or similar terms. This insurance shall cover such F.O.B./F.A.S. or similar shipments from the time of leaving store, warehouse or factory at interior point of shipment and continue while in due course of transit to the port of export and while there, until loaded on board overseas vessel or until Assured's interest and responsibility cease in accordance with the terms of sale, whichever shall first occur. The Assured agrees to report the total value of all such shipments and premiums to be paid at rates as agreed.

### **57. Combined F.O.B./F.A.S. Sales and Contingency Insurance for Unpaid Vendor**

This insurance is extended to cover the Assured's primary interest in shipments originating in the Continental United States and sold by the Assured on F.O.B., F.A.S. or similar terms. This insurance shall cover such F.O.B./F.A.S. or similar shipments on a primary basis from the time of leaving store, warehouse or factory at interior point of shipment and continue while in due course of transit to the port of export and while there, until loaded on board overseas vessel or until Assured's interest and responsibility cease in accordance with the terms of sale, whichever shall first occur.

Henceforth, this insurance shall cover on a contingent basis goods sold by the Assured on terms which do not obligate them to provide insurance. If there is loss or damage from a peril insured herein, and

- A. the Assured cannot collect from the consignee or other party because of a refusal or inability to pay;  
or
- B. the Assured has been paid but remains contractually obligated to replace the loss or damaged goods,

Underwriters shall advance to the Assured the amount of loss as provided herein. The Assured shall repay such amount upon remittance of the purchase price by the buyer or otherwise. Goods insured under this coverage shall be valued at the amount of the Assured's invoice, plus freight and other charges (if not included in the invoice).



This insurance is for the sole account of the Assured and in no event is it to insure or benefit buyers, consignees or any other party. Furthermore, it is a condition precedent to this coverage that the Assured shall not divulge the existence of this coverage to any party. Such disclosure shall void coverage provided by this clause.

The Assured shall preserve their rights against the buyer or other parties and, upon receipt of payment from Underwriters, shall subrogate to Underwriters all rights and shall give all assistance, other than pecuniary, in enforcing them. The Assured agrees to report the total value of all such shipments and premiums to be paid at rates as agreed.

#### **58. Contingency Insurance for Assured as Consignee**

This insurance is extended to cover the interest of the Assured, as a vendor in a credit transaction, on all shipments made by the Assured on terms under which the Assured is not obliged to furnish cargo insurance.

If goods are covered by other insurance, this insurance shall cover the difference in conditions (any perils not covered by other insurance but which are covered under the terms of this Policy) and any difference between the value insured by other insurance and the value in accordance with the applicable valuation clause of this Policy.

Underwriters will guarantee to the Assured the prompt collection of losses, damages and expenses otherwise coming within the terms and conditions of this insurance in connection with shipments for which the Assured has not been paid. Underwriters will advance to the Assured the amount of the loss, damage or expense, as a loan without interest. The Assured is to repay such amount upon remittance of the sum due the Assured by the seller, the insurance provided by the seller or otherwise.

This insurance is for the sole account of the Assured and in no event is it to insure or benefit sellers, shippers or any other party. Furthermore, it is a condition precedent to this coverage that the Assured shall not divulge the existence of this coverage to any party. Such disclosure shall void coverage provided by this clause.

The Assured shall preserve their rights against the seller or other parties and, upon receipt of payment from Underwriters, shall subrogate to Underwriters all rights and shall give all assistance, other than pecuniary, in enforcing them. The Assured agrees to report the total value of all such shipments and to pay premiums at rates as agreed.

#### **59. Increased Value**

With respect to goods purchased by the Assured on C.I.F. or other similar terms whereby insurance is provided by the Seller or purchased by the Assured while still afloat on such terms prior to any known report of loss or accident, this Policy is extended to cover the increased value, to be valued at the difference between the amount of insurance furnished by the Seller as evidenced by certificates or policies of insurance or otherwise, and valuation provided in this Policy applying to shipments purchased on C.I.F. or similar terms.

This insurance is to pay the same percentage of loss on increased value as Underwriters would pay on goods subject to the Average Terms and Conditions contained in Clause 14 of this Policy; however, references to deductibles appearing in this Policy shall not be applicable to this insurance. In the event that the merchandise is short delivered or sold unidentifiable in consequences of perils insured against, this insurance is to pay a total loss on the increased value on the part short delivered or sold unidentifiable. Free of General Average and/or Salvage Charges except on the excess of contributory value over the original amount insured if uncollectible under the original insurance.

## SECTION 7: Exclusions

The following exclusions shall apply unless modified or superseded elsewhere herein or endorsed hereon:

### 60. General Exclusions

In no case shall this insurance cover:

- A. ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the goods insured;
- B. loss, damage or expense attributable to willful misconduct of the Assured;
- C. rust, oxidation or discoloration on unpacked and/or unprotected cargo;
- D. loss of market or loss, damage, expense or deterioration arising from delay, whether caused by a peril insured against or otherwise;
- E. loss, damage or expense caused by inherent vice or nature of the goods insured;
- F. loss, damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the vessel where, at the time of loading of the goods insured on board the vessel, the Assured is aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the voyage. This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the goods insured in good faith under a binding contract;
- G. loss, damage or expense caused by insufficiency or unsuitability of packing or preparation of the goods insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of these Clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors);
- H. loss, damage or expense caused by electrical, electronic and/or mechanical derangement unless the Assured is able to demonstrate that such damage is the result of a peril insured against.
- I. shipments on **chartered** vessels that are not classed A1 American Record or equivalent by a member of the International Association of Classification Societies; **chartered** vessels over 40 years of age; vessels on break-up voyages; **chartered** barges; vessels built for service on the Great Lakes; vessels built solely for Military or Naval Service; or vessels built for carriage of dry bulk or liquid bulk cargoes, and which are more than 15 years of age.
- J.

### 61. War Exclusion

In no case shall this insurance cover loss damage or expense caused by:

- A. war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power;
- B. capture, seizure, arrest, restraint or detainment (piracy excepted), and the consequences thereof or any attempt thereat;
- C. derelict mines, torpedoes, bombs, or other derelict weapons of war.

The following provision shall be paramount and shall override anything which may appear elsewhere in this contract: Should this insurance be extended to cover any loss damage or expense excluded by the above War Exclusion Clause, such war risks cover shall not extend to any claim based upon loss of or frustration of the insured voyage or adventure.

### 62. Atomic and Nuclear Exclusion

In no case shall this insurance cover loss, damage or expense arising from the use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

### **63. SR&CC Exclusion**

In no case shall this insurance cover loss, damage or expense caused by strikers, locked-out workmen, or persons taking part in labor disturbances, riots or civil commotions, resulting from strikes, lock-outs, labor disturbances, riots or civil commotions; caused by any act of terrorism being an act of any person acting on behalf of, or in connection with, any organization which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted caused by any person acting from a political, ideological or religious motive.

### **64. CARGO ISM (JC98/019 dated May 1, 1998)**

Applicable to shipments on board Ro-Ro passenger ferries. Applicable with effect from the above date to shipments on board:

- A. Passenger vessels transporting more than 12 passengers and;
- B. Oil tankers, chemical tankers, gas carriers, bulk carriers and cargo high-speed craft of 500 GT or more.

Applicable with effective from 1 July 2002 to shipments on board all other cargo ships and mobile offshore drilling units of 500 GT or more.

In no case shall this insurance cover loss, damage or expense where the subject matter insured is carried by a vessel that is not ISM Code certified or whose owners or operators do not hold an ISM Code Document of Compliance when, at the time of loading of the subject matter insured on board a vessel, the Assured were aware, or in the ordinary course of business should have been aware:

- 1) Either that such vessel was not certified in accordance with the ISM Code.
- 2) Or that a current Document of Compliance was not held by her owners or operators as required under the SOLAS Convention 1974 as amended.

This exclusion shall not apply where this insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under a binding contract.

### **65. Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion CL.370 November 10, 2003**

In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

- A. ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- B. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- C. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- D. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;
- E. any chemical, biological, bio-chemical, or electromagnetic weapon.

### **66. Radioactive Contamination Exclusion, U.S.A. Endorsement**

This insurance is subject to the Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical, Electromagnetic Weapons Exclusion Clause CL. 370 November 10, 2003 provided that if fire is an insured peril, and where the goods insured is within the U.S.A., its islands, onshore territories or

possessions, and a fire arises directly or indirectly from one or more of the causes as detailed in the Sub-Clauses A, B, D and E of the Institute Radioactive Contamination Exclusion Clause above:

any loss or damage arising directly from that fire shall, subject to the provisions of this insurance be covered, EXCLUDING however any loss, damage, liability or expense caused by nuclear reaction, nuclear radiation or radioactive contamination arising directly or indirectly from that fire.

**67. Institute Cyber Attack Exclusion CL.380 November 10, 2003**

- A. Subject only to (B) below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software program, malicious code, computer virus or process or any other electronic system.
- B. Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, (A) above shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software program or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

**68. UK Export Control Order 2008 – Revocation of Licenses Clause JC2010/015**

In no case shall this insurance provide cover or shall any Underwriter be liable to pay any claim or provide any benefit hereunder in respect of any movement(s) of goods authorized by an export control license issued under the UK Export Control Order 2008 if the license has expired or been revoked or for the period of suspension if the license has been suspended.

This clause shall not apply to a claim that arises prior to expiry revocation or suspension of such license. In the event of the subsequent reinstatement of the license, cover will re-attach subject always to the terms and conditions of this insurance.

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

**69. Sanction Limitation and Exclusion (JC2010/014 dated August 11, 2010)**

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

## **CERTAIN UNDERWRITERS AT LLOYD'S LONDON**

We, the certain Underwriters at Lloyd's London that have underwritten this insurance want you to understand how we protect the confidentiality of nonpublic personal information we collect about you.

### **INFORMATION WE COLLECT**

We collect nonpublic personal information about you from the following sources:  
Information we receive from you on applications or other forms;  
Information about your transactions with our affiliates, others or us; and  
Information we receive from a consumer –reporting agency.

### **INFORMATION WE DISCLOSE**

We do not disclose any nonpublic personal information about you to anyone except as is necessary in order to provide our products or services to you, or otherwise as we are required or permitted by law (e.g., a subpoena, fraud information, regulatory reporting etc.)

### **CONFIDENTIALITY AND SECURITY**

We restrict access to nonpublic personal information about you to our employees, our affiliates' employees or others who need to know that information to service your account. We maintain physical, electronic, and procedural safeguards to protect your nonpublic personal information.

### **CONTACTING US**

If you have any questions about this privacy statement or would like to learn more about how we protect your privacy, please contact the agent or broker who handled this insurance.

**ENDORSEMENT NO.:** One  
**POLICY NO.:** POLICYNUM  
**ASSURED:** ACCTNAME  
**EFFECTIVE DATE:** POLEFFDATE

### **Strikes, Riots & Civil Commotions (AIMU January 1, 2008)**

This insurance also covers:

1. physical loss of or damage to goods insured directly caused by strikers, locked-out workmen, or persons taking part in labor disturbances or riots or civil commotions;
2. physical loss of or damage to the goods insured directly caused by vandalism, sabotage or malicious acts; and;
3. physical loss of or damage to the goods insured directly caused by the act or acts of one or more persons, whether or not agents of a sovereign power, carried out for political, terroristic or ideological purposes and whether any loss, damage or expense resulting therefrom is accidental or intentional; PROVIDED that any claim to be recoverable under this subsection C be not excluded by the War Exclusion, Atomic and Nuclear Exclusion, Extended Radioactive Contamination Exclusion Clause (Extended RACE Clause) or Chemical, Biological, Bio-Chemical and Electromagnetic Exclusion Clause (CBE Clause) in the Policy to which this endorsement is attached. Notwithstanding the foregoing, coverage under this subsection C is conditional upon the goods insured being in the ordinary course of transit and, in any event, shall terminate:
  - A. as per the Transit Clause and any other clauses relating to duration of transit contained in or endorsed onto the Policy; or,
  - B. on delivery to the consignee's or other final warehouse or place of storage at the destination named herein; or
  - C. on delivery to any warehouse or place of storage whether prior to or at the destination named herein, which the Assured elects to use either for storage other than in the ordinary course of transit or for allocation or distribution; or,
  - D. in respect of marine transits, on the expiry of 60 days after completion of discharge overside of the goods insured from the vessel at the port of discharge; or
  - E. in respect of air transits, on the expiry of 30 days after unloading the goods insured from the aircraft at the place of discharge;

**whichever shall first occur.**

Notwithstanding the foregoing, nothing in this clause excludes coverage for insured losses, which are otherwise covered by this insurance, caused by certified acts of terrorism, as defined in the Terrorism Risk Insurance Act (P.L. #107-297), or any subsequent amendments or endorsements to the Act.

While the goods insured is at risk under the terms and conditions of this insurance within the United States of America, the Commonwealth of Puerto Rico, the U.S. Virgin Islands and Canada, this insurance is extended to cover physical loss of or damage to the goods insured directly caused by acts committed by an agent of any government, party or faction engaged in war, hostilities or other warlike operations, provided such agent is acting secretly and not in connection with any operation of military or naval armed forces in the country where the described goods are situated.

Nothing in this endorsement shall be construed to cover any loss, damage, or expense directly or indirectly arising from, contributed to or caused by any of the following, whether due to a peril insured against or otherwise:

1. change in temperature or humidity;
2. the absence, shortage, or withholding of power, fuel, or labor of any description whatsoever during any strike, lockout, labor disturbance, riot or civil commotion;
3. loss of market or loss, damage, or deterioration arising from delay;

4. hostilities, warlike operation, civil war, revolution, rebellion or insurrection, or civil strife arising therefrom, except to the limited extent that the acts of certain agents acting secretly have been expressly covered above; or
5. nuclear reaction, radiation, or radioactive contamination, as per Extended RACE Clause.
6. Chemical, biological, bio-chemical or electromagnetic weapon, device, agent or material, as per CBE Clause.

The Assured agrees to report all shipments attaching under this cover and to pay premiums therefore at the rates established by Underwriters from time to time.

This endorsement may be cancelled by either party upon forty-eight hours written notice to the other party, but such cancellation shall not affect any risks which have already attached hereunder

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

Date: January 30, 2012

By: \_\_\_\_\_  
Roanoke Trade Services, Inc., Authorized Representative

**ENDORSEMENT NO.** Two  
**POLICY NO.:** POLICYNUM  
**ASSURED:** ACCTNAME  
**EFFECTIVE DATE:** POLEFFDATE

### **American Institute (AIMU) Amended War Risk Only (Cargo) Clauses (December 2, 1993)**

In cases where the total value(s) at risk on any one vessel exceed(s) the limit of liability as set forth in the Policy to which this endorsement is attached, the Assured agrees, nevertheless, to report to Underwriters full value(s) at risk and to pay premium thereon at the agreed rates. The Assured further agrees that acceptance of such reports and premium by Underwriters shall not serve to revoke or to overrule the limit of liability set forth in this Policy; however, subject to the limit of liability, Underwriters in accepting these reports do agree to pay partial losses covered by this Policy without reduction by reason of any coinsurance which otherwise may have existed in the absence of this special agreement.

Subject to the provisions of Clause 4 of this endorsement, should there be an accumulation of interests exceeding the limits of liability set forth in this Policy by reason of any interruption of transit beyond the control of the Assured or by reason of any casualty, and/or after the interests have been discharged from the incoming overseas Vessel at an intermediate port or place for on-carriage from that or any other port or place by another overseas Vessel, and/or on the on-carrying overseas Vessel, this Policy shall attach for the full amount of risk (but in no event for more than twice the Policy limit which would be applicable to any one Vessel) provided written notice be given to Underwriters as soon as known to the Assured.

Underwriters shall cover only those shipments which are insured against marine risks under this Policy, it being agreed that the description of such shipments, the valuations thereof, the voyage, the designation of the overseas Vessel (which shall be construed to include aircraft if included under the marine Policy) on which the goods are to be carried and the ports and/or places of loading and discharge, as reported under the said Policy against marine risks, shall be deemed incorporated herein. Notwithstanding the foregoing, this Policy shall not cover purely domestic shipments by air between points in the United States of America (excluding Alaska and Hawaii).

Any loss payable hereunder shall be payable in funds current in the United States, to the order of Assured thirty days after full proofs of loss and proofs of interest have been filed with Underwriters.

1. This insurance is only against the risks of capture, seizure, destruction or damage by men-of-war, piracy, takings at sea, arrests, restraints, detentions and other warlike operations and acts of kings, princes and peoples in prosecution of hostilities or in the application of sanctions under international agreements, whether before or after declaration of war and whether by a belligerent or otherwise, including factions engaged in civil war, revolution, rebellion or insurrection, or civil strife arising therefrom; the imposition of martial law, military or usurped power, and including the risks of aerial bombardment, floating or stationary mines and stray or derelict torpedoes, and weapons of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter but excluding loss, damage or expense arising out of the hostile use of any such weapon; and warranted not to abandon (on any ground other than physical damage to ship or cargo) until after condemnation of the goods insured.
2. This insurance also covers, but only while the goods insured is on board a waterborne conveyance, loss of or damage to said goods directly caused by governmental authorities acting for the public welfare to prevent or mitigate a pollution hazard or threat thereof, provided that the accident or occurrence creating the situation which required such governmental action would have resulted in a recoverable claim under this Policy (subject to all of its terms, conditions and warranties) if the goods insured would have sustained physical loss or damage as a direct result of such accident or occurrence.

Warranted free from any claim based upon loss of, or frustration of, the insured voyage or adventure caused by arrests, restraints or detentions.



3. This insurance does not cover any loss, damage or expense directly or indirectly arising from, contributed to, or caused by any of the following, whether due to a peril insured against or otherwise:
  - A. Commandeering, preemption, requisition or nationalization by the government (de facto or otherwise) of the country to or from which the goods are insured.
  - B. Seizure or destruction under quarantine, environmental or customs regulations.
  - C. Delay, deterioration and/or loss market.
  - D. Nuclear reaction, radiation or radioactive contamination, regardless of how it was caused.
4.
  - A. The insurance against the risks enumerated in Clause 1, except the risk of floating or stationary mines and stray or derelict torpedoes, floating or submerged referred to in the paragraph immediately following, shall not attach to the interest hereby insured or to any part thereof:
    - 1) prior to being on board an overseas Vessel (For the purpose of this Clause 4 an overseas Vessel shall be deemed to mean a Vessel carrying the interest from one port or place to another where such voyage involves a sea passage by the Vessel.)
    - 2) After being discharged overside from an overseas Vessel at the intended port or place of discharge or after the expiry of 15 days from midnight of the day of arrival of the overseas Vessel at the intended port or place of discharge, whichever shall first occur.
    - 3) after expiry of 15 days from midnight of the day of arrival of the overseas Vessel at an intermediate port or place to discharge the interest for on-carriage from that or any other port or place by another overseas Vessel, but shall reattach as the interest is loaded on the on-carrying overseas vessel. During the said period of 15 days the insurance remains in force whether the interest is awaiting transit or in transit between the overseas Vessels.
    - 4) For the purpose of this Clause 4 arrival at the intended port or place of discharge shall be deemed to mean that time when the overseas Vessel first berths, anchors, moors or is secured in an area subject to regulation by the authorities of such port or place.
  - B. The insurance against the risks of floating or stationary mines and stray or derelict torpedoes, floating or submerged, attaches as the interest hereby insured is first loaded on a lighter, craft or vessel after leaving the warehouse at point of shipment in transit for the destination declared hereunder, and ceases to attach as the interest is finally landed from the vessel, craft or lighter prior to delivery to warehouse at such destination.
  - C. If the contract of affreightment is terminated at a port or place other than the destination named therein such port or place shall be deemed the intended port or place of discharge for the purpose of this Clause 4.
  - D. Shipments by mail, if covered by this Policy, are insured continuously from the time of leaving the sender's premises until delivered to the place of address.
  - E. Shipments by air (other than by air mail), if covered by this Policy are insured subject to the same terms and conditions as shipments by overseas Vessel.
  - F. It is a condition of this insurance that the Assured shall act with reasonable dispatch in all circumstances within their control.
  - G. If anything contained in this Policy shall be inconsistent with this Clause 4 it shall to the extent of such inconsistency be null and void.
5. This insurance shall not be vitiated by deviation, overcarriage, change of voyage, or by any error or unintentional omission in the description of interest, vessel or voyage, provided the same be communicated to Underwriters as soon as known to the Assured and an additional premium paid if required.
6. And in case of any loss or misfortune, it shall be lawful and necessary to and for the Assured, his or their factors, servants and assigns, to sue, labor and travel for, in and about the defense, safeguard and recovery of the said goods, and merchandises, or any part thereof, without prejudice to this insurance; nor shall the acts of the Assured or Underwriters, in recovering saving and preserving the goods insured, in case of disaster, be considered a waiver or an acceptance of an abandonment; and to the charges whereof, the said Underwriters will contribute according to the rate and quantity of the sum hereby insured.

7. General Average and Salvage Charges payable according to United States laws and usage and/or as per Foreign Statement and/or per York-Antwerp Rules (as prescribed in whole or in part) if in accordance with the Contract of Affreightment.
8. It is agreed that the reports of shipments made under the Policy against marine risks mentioned above shall be deemed to be reports under this Policy also, and the Assured agrees to pay premiums on all shipments insured under this Policy at the war risks rates of Underwriters as fixed from time to time.
9. No claim shall be payable hereunder which arises from collision, contact with any fixed or floating object (other than a mine or torpedo), stranding, heavy weather or fire unless caused directly (and independently of the nature of the voyage or service which the Vessel concerned or, in the case of a collision, any other Vessel involved therein, is performing) by a hostile act by or against a belligerent power; and for the purpose of this paragraph "power" includes any authority maintaining naval, military or air forces in association with a power.
10. No recovery for a Constructive Total Loss shall be had hereunder unless the goods insured is reasonably abandoned on account of its actual total loss appearing to be unavoidable, or because it cannot be preserved from actual total loss without an expenditure which would exceed its value if the expenditure had been incurred.
11. It is agreed that this Policy is a separate and wholly independent contract and is not subject to any terms or conditions of the Policy against marine risks above mentioned (whether physically attached thereto or not) except as such terms or conditions shall be expressly incorporated herein by reference.
12. This insurance may be cancelled by either party upon forty-eight hours written notice to the other party, but such cancellation shall not affect any shipment on which this insurance has attached under the terms of Clause 4 hereof prior to the effective date of such notice. Shipments on which this insurance has not so attached but for which, prior to the effective date such notice, bills of lading have been issued and (in the case of exports) Certificates or special policies have been issued and negotiated, shall be covered from the time of loading on the overseas Vessel, as provided in Clause 4, at the rates of Underwriters, provided that, prior to said effective date, such shipments were at the risk of the Assured and were covered under the said Policy against marine risks.

In the event of loss, which may give rise to a claim under this endorsement, prompt notice shall be given to Underwriters.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

Date: January 30, 2012

By: \_\_\_\_\_  
Roanoke Trade Services, Inc., Authorized Representative

**ENDORSEMENT NO:**  
**POLICY NO:**  
**ASSURED:**  
**POLICY INCEPTION DATE:**  
**EFFECTIVE DATE OF AMENDMENT:**

## **Contingent Cargo Legal Liability**

Effective from the above date and in consideration of a Flat Annual Premium of \$xxx, payable at inception, it is understood and agreed that this Policy is extended to cover the legal liability of the Assured on a contingent basis, subject to the following terms and conditions:

### **1. Coverage**

To cover the legal liability of the Assured for physical loss of or damage to, except as hereinafter excluded, lawful goods while in the custody of a motor carrier, railroad, airline, or connecting carrier (hereinafter referred to as the "carrier" or "carriers"), while in due course of transit within the forty-eight (48) contiguous United States and/or Canada.

This insurance to cover from the time the goods are picked up from the shipper, until the goods are delivered to the consignee at final destination, or returned to the shipper, or until the Assured's liability otherwise ceases, whichever may first occur.

Coverage is contingent upon the failure of the negligent carrier or its cargo insurer to pay a substantiated claim.

This insurance shall also defend in the name of and on behalf of the Assured any suit, even though groundless, within the scope of this endorsement, against the Assured and will pay all legal expenses incurred in defending and/or investigating said claims where such defense and investigation is made with the prior approval of Underwriters. Such expenses shall be payable in addition to the limit of liability otherwise stated herein.

### **2. Goods Insured**

To cover all lawful goods of every description; however, the following commodities are excluded unless agreed upon in writing by Underwriters: fresh foods; live animals; flowers; plants; cigarettes; fine arts; cotton; eggs; cash in transit; specie; securities and other negotiable papers; bulk products; jewelry and precious stones and metals; mobile/cellular telephones; laptop and tablet computers; and computer memory modules, cards and sticks.

### **3. Limit of Liability**

The amount recoverable under this endorsement shall not be in excess of, or contribute with, the Cargo insurance policy of any carrier, and in no event shall the limit of liability under this endorsement exceed \$250,000 per any one accident, occurrence or loss.

### **4. Accumulation**

Should there be an accumulation of interest beyond the limits expressed in this endorsement by reason of any interruption in service however caused beyond the control of the Assured, or by any reason of any casualty or at an interchange point and/or on a connecting conveyance, Underwriters shall hold covered such excess interest (unless insured elsewhere by a separate excess policy) and shall be liable for the full amount at risk (but in no event for more than twice the endorsement limit which would be applicable to any one accident, occurrence or loss) provided such notice be given to these Assureds as soon as known by the Assured.

## **5. Deductible**

Each claim shall be subject to a \$5,000 deductible. All claims for loss or damage arising out of any one occurrence shall be adjusted as one claim.

## **6. Special Warranty**

The Assured shall obtain, and keep on file at all times, a current certificate of cargo insurance from each carrier with whom the Assured directly brokers goods. Said certificate shall indicate cargo insurance in force as of the date of shipment and anticipated delivery date(s).

## **7. Exclusions**

This extension of coverage does not insure the legal liability of the Assured for loss or damage caused by or resulting from:

- A. Cargo in vehicles owned, leased, or operated by the Assured, his agents, or employees.
- B. Delay, loss of market, loss of use, interruption of business, or any other consequential loss extending beyond liability for direct physical loss or damage to the property.
- C. Spoilage, deterioration, contamination, freezing, rusting, extremes of temperature, shrinkage, evaporation, loss of weight, change in flavor, color, finish or texture unless caused by fire, lightning, windstorm, hail, explosion, collision or overturn of vehicle or the actual contact of the property with water.
- D. Infidelity, dishonesty or any criminal act of the Assured and his or their employees.
- E. Loss of life or personal injury, howsoever caused.
- F. Liability assumed by the Assured under any contracts, house bills of lading, or house freight receipts not specifically approved by Underwriters.

## **8. Adjustment and Payment of Loss**

Loss, if any, may, at the option of Underwriters, be adjusted with and paid to the Assured for account of whom it may concern, or adjusted with and paid directly to the customers of the Assured, or to the owners of the property. If legal proceedings are taken to enforce a claim against the Assured as respects any such loss, Underwriters reserve the right at their option, to conduct and control the defense on behalf of and in the name of the Assured.

The Assured shall not voluntarily admit any liability or settle any claims or incur any expenses (except as otherwise provided for in this endorsement) without the specified authority of Underwriters, nor shall the Assured interfere with any negotiations for settlements carried on between Underwriters and the owners of the property.

## **9. Impairment of Recovery Rights**

If any act or agreement of the Assured before or after loss impairs the right of the Underwriters to recover from others liable for the loss, this endorsement shall not cover the loss, nor shall the endorsement cover any loss or damage which the Assured may settle or compromise with others without the prior written consent of Underwriters.

## **10. Other Insurance**

It is agreed that the coverage afforded under this endorsement is secondary insurance to that insurance detailed on the Certificate of Insurance required in 6 above. This coverage shall only respond in the event the primary insurance of the negligent carrier, or the carrier itself, fails to respond to and/or satisfy a substantiated claim.

**11. Cancellation**

In the event of cancellation of the Policy to which this endorsement is attached, the insurance provided for herein shall terminate automatically as of the date of such cancellation, but without prejudice to risks already attached.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

Date: April 12, 2011

By: \_\_\_\_\_  
Roanoke Trade Services, Inc.  
Authorized Representative

Sample