

MARINE OPEN CARGO POLICY

In accordance with your instructions, we have effected insurance with certain Underwriters at Lloyd's, 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this insurance and all other terms, conditions, exclusions and warranties hereinafter set forth, unless modified or superseded elsewhere herein or endorsed hereon..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: 18RTS7184
Named Assured: ITS Financial Services LLC trading as Truckstop, and/or associated, affiliated or subsidiary Companies, Corporations, Firms or Organizations and/or from whom they have instructions to insure.
Mailing Address: 222 N. Plymouth Ave , New Plymouth, ID 83655
Policy Period: Twelve (12) months cover effective 1/1/2018 12:01 A.M. standard time at the address of the Assured as stated herein and expiring 1/1/2019 12:01 A.M.

Limits of Liability Full Truck load

Underwriters shall not be liable for more than:

\$100,000 Any one land conveyance for U.S. and/or Canada domestic transits only.

It is understood and agreed that where a load value exceeds \$100,000, this contract will act as a first loss policy.

Limits of Liability for Less than Truckload (LTL)

Underwriters shall not be liable for more than:

\$50,000 Any one bill of lading but USD 250,000 any one land convenience, for U.S. and/or Canada Domestic transits only

It is understood and agreed that where a load value exceeds \$50,000, this contract will act as a first loss policy

Goods Insured

To cover full conveyance loads of all lawful goods of every description; however, the following commodities are excluded unless agreed upon in writing by the overall contract leading Underwriter: any produce or fruit not transported under refrigeration (excepting frozen foods and chilled goods in reefer trailers); pharmaceutical drugs; live animals; flowers; plants; cigarettes and other tobacco products; fine arts; antiques; cash or coins; securities and other negotiable papers; jewelry and precious stones and metals; mobile/cellular telephones and other cellular devices; computer and/or electronic components assembled on racks; desktop, laptop and tablet computers and similar devices; computer memory modules and cards; gaming consoles/systems and handheld electronic devices and electronic games for same; personal household goods and personal effects; automobiles; motorcycles (unless crated); boats and yachts; chinaware, glassware, windows, plate glass and other similar fragile articles; ceramic, marble or granite tiles, blocks, and slabs; rolling stock. Notwithstanding the above, it is further noted that berries and/or soft fruit are excluded absolutely hereunder

Deductible

As per the Average terms and conditions section of Clause 10.

SECTION 1: General Conditions

1. Geographical Limits

From places in the United States of America and/or Canada to places in the United States of America and/or Canada.

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.

A. Valuation

B. *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.

C. *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.

However, underwriters shall not be liable for more than \$100,000 for Full Truckload shipments; For LTL shipments, underwriters shall not be liable for more than \$50,000 per Bill of Lading and \$250,000 per conveyance.

5. Cancellation

This Policy may be cancelled at any time by either the Named Assured or by Underwriters giving 30 days Notice of Cancellation, but War, Strikes, Riots, Civil Commotions risks may be excluded at any time by giving 48 hours notice.

Notwithstanding the above cancellation provisions, it is understood and agreed that Underwriters hereon may issue notice to suspend the acceptance of risks hereunder by giving 24 hours notice of suspension at any time.

However, none of the above notices are to prejudice any risk which has commenced prior to the expiry of the notice.

6. Conveyances

Trucks and/or trailers and/or approved conveyances as may be utilized by carriers booked through GoCargoshield.com website facility.

7. Carrier

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

8. 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.

9. Choice of Law and Jurisdiction

This insurance shall be governed by and construed in accordance with the law of the State of Idaho. Each party agrees to submit to the exclusive jurisdiction of any competent court within the United States of America.

10. 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.

Full Truckload Shipments: Each claim shall be subject to a deductible of \$1,000.

LTL Shipments: Each claim shall be subject to a deductible of \$250.

B. Special Insuring Conditions

The following listed goods shall be subject to special conditions.

1. USED AND/OR RECONDITIONED HEAVY MACHINERY AND EQUIPMENT are insured against "All Risks" of physical loss or damage from any external cause, except as excluded by the Clauses in Section 7 of this Policy. Coverage is further subject to the following:
 - Excluding rust, oxidation, discoloration, marring, chipping, scratching and cost of repainting.
 - Each claim shall be subject to a deductible of \$2,500 for Full Truckload shipments and \$250 for any LTL shipments.
 - Claims shall be settled at fair market value of the goods transported, but not to exceed \$100,000 for Full Truckload shipments and \$50,000 per Bill of Lading and \$250,000 per conveyance for LTL shipments
 - Subject to the Secondhand Replacement Clause: In the event of a claim for loss of or damage to any part or parts of the interest insured, in consequence of a peril covered by this policy, the amount recoverable hereunder shall not exceed such proportion of the cost of replacement of the part or parts lost or damaged as the insured value bears to the value of a new machine plus additional charges for forwarding and refitting the new part or parts if incurred. In no case shall the liability of Underwriters exceed the insured value of the complete article.
2. ALL OTHER USED GOODS are insured, except as excluded by the Clauses in Section 7 of this Policy, for loss or damage to the subject-matter insured reasonably attributed to the 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 theft and/or non-delivery of an entire shipping package, and to pay loss or damage caused thereby.
3. FROZEN FOODS and CHILLED Goods are insured against "All Risks" of physical loss or damage from any external cause except as excluded by the Clauses in Section 7 of this Policy, and further

excluding gradual deterioration. It is however, agreed that while the goods insured are under refrigeration, this insurance is extended to cover loss, damage or deterioration due to, or caused by derangement, breakdown or stoppage of refrigerating machinery or refrigerating plant or insulation provided such derangement, breakdown, or stoppage continues for a period not less than Four (4) consecutive hours.

Each claim shall be subject to a deductible of \$2,500 for Full Truckload shipments and \$250 for LTL shipments

Warranted by the Assured that the interest insured hereunder is in sound condition at the time of the commencement of risk.

4. STEEL AND STEEL PRODUCTS are insured against "All Risks" of physical loss or damage from any external cause, except as excluded by the Clauses in Section 7 of this Policy, and further excluding the risks of rust, oxidation, and discoloration. Coverage for non-crated pipe, tube, rods, beams or similar merchandise to further exclude the risks of bending, twisting, and end damage.

Each claim shall be subject to a deductible of \$1,000 for Full Truckload shipments and \$250 for LTL shipments

11. 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 $\frac{1}{2}$ of 1% of the annual premium.

12. Insurers' Liability Clause (LMA 3333 21/06/07)

INSURER'S LIABILITY SEVERAL NOT JOINT

The liability of insurer under this contract is several and not joint with other insurers party to this contract. An insurer is liable only for the proportion of liability it has underwritten. An insurer is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is an insurer otherwise responsible for any liability of any other insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by an insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). This liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

PROPORTION OF LIABILITY

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each insurer (or in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each insurer (or in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or in the case of a Lloyd's

syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is referred to as a “signed line”. The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to “this contract” in the singular, where the circumstances so require this should be read as a reference to contract in the plural.

SAMPLE

SECTION 2: Additional Coverages

13. 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.

14. 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.

15. 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.

16. Concealed Damage

It is understood and agreed that any loss or damage found upon opening of original shipping packages at the final destination, and provided that notice is given to Underwriters within five (5) business days after delivery to the final destination as provided elsewhere in this Policy, such loss shall be adjusted and paid by Underwriters in the same manner as though the original shipping package had been opened immediately upon their arrival, provided such losses would have been otherwise recoverable under the terms of this Policy. Nevertheless any containers, cases, and/or packages showing visible signs of external damage are to be opened and examined immediately upon arrival and any such losses shall be reported in accordance with the claims procedures included in the Policy.

17. 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.

18. 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.

19. 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.

20. Deliberate Damage/Pollution Hazard

This insurance covers 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.

21. 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.

22. Fumigation

In the event that any conveyance 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.

SAMPLE

SECTION 3: Duration of Risk Clauses

23. Transit

Subject to the Insurable Interest Clause contained in the Institute Marine Policy General Provisions Clause herein, this insurance attaches from the time the goods insured leave the factory, store, warehouse, or elsewhere at the initial point of shipment and continues during transit and/or while located anywhere incidental to transit until delivered at final destination.

For the purpose of this clause, final destination shall be defined as delivery to the Consignee's warehouse, store, 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.

24. 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.

25. Deviation/Errors and Omissions

This insurance shall not be vitiated by any unintentional error in conveyance or interest, or by deviation, over carriage, change of routing, transshipment or any other interruption in the ordinary course of transit from causes beyond the control of the Assured. 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.

26. 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.

27. 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 being transported back to origin or to an alternative destination agreed to by the Assured. 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.

28. 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 overside of the goods insured from the oversea 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.

SAMPLE

SECTION 4: Loss Adjustment Clauses

29. Claims Handling

It is agreed that the Lloyd's overall contract Leading Underwriter or their affiliated company shall have sole control of claims handling, negotiation, settlement, and subrogation including appointment of surveyors, lawyers, etc. where necessary on behalf of all Underwriters.

30. 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.

However, underwriters shall not be liable for more than \$100,000 for Full Truckload shipments; For LTL shipments, underwriters shall not be liable for more than \$50,000 per Bill of Lading and \$250,000 per conveyance.

31. 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;

However, underwriters shall not be liable for more than \$100,000 for Full Truckload shipments; For LTL shipments, underwriters shall not be liable for more than \$50,000 per Bill of Lading and \$250,000 per conveyance.

32. 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)

33. 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,

However, underwriters shall not be liable for more than \$100,000 for Full Truckload shipments; For LTL shipments, underwriters shall not be liable for more than \$50,000 per Bill of Lading and \$250,000 per conveyance.

34. 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.

35. 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.

36. 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 Foley & Lardner LLP, 555 California Street, Suite 1700, San Francisco, CA 94104-1520; 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.

37. 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.

38. 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.

39. 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.

SECTION 5: Declarations and Reporting

40. Declarations 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.”

41. Authority to Issue Declarations

Authority is hereby granted the Assured to issue Declarations of Insurance hereunder, provided such Declarations 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 Insurance Group Inc. from time to time. All such Declarations issued shall be countersigned by a duly authorized representative of the Assured.

42. 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.

43. Reports of Shipments

Unless otherwise agreed, it is a condition of this insurance that the Assured is to report to Roanoke Insurance Group 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.

44. 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: S.R. & C.C.

45. 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.

SAMPLE

SECTION 7: Exclusions

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

46. 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 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 shipper or consignee 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);
- G. 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.
- H. shipments which have been co-brokered or double brokered. However, this exclusion does not apply to co-broker shipments that have a valid co-broker Agreement in place and are in compliance with FMCSA Guidelines and all parties are vetted by the Named Assured.

47. 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.

48. 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.

49. 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.

50. 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.

51. 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.

52. 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.

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.