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**OLD REPUBLIC INSURANCE COMPANY**

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**COMMERCIAL INLAND MARINE**

**INSURANCE POLICY**

Policyholder Issuing and Servicing Office:

Old Republic Risk Management, Inc.  
445 South Moorland Road, Suite 300  
Brookfield, WI 53005  
Tel: (877) 797-3400  
Fax: (262) 797-0486



**OLD REPUBLIC INSURANCE GROUP**

J-01 (01/16)

INSURANCE IS PROVIDED BY  
THE COMPANY DESIGNATED ON THE DECLARATION PAGE

**IN WITNESS WHEREOF**, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.

**OLD REPUBLIC INSURANCE COMPANY**  
133 Oakland Avenue  
Greensburg, Pennsylvania 15601  
A Stock Company

A handwritten signature in black ink, appearing to read "John R. Smith", written in a cursive style.

*Secretary*

A handwritten signature in black ink, reading "Craig R. Smiddy", written in a cursive style.

*President*



**SHIPPERS INTEREST CARGO POLICY  
DECLARATIONS**

**POLICY NUMBER**

**MWE 312791**

**NEW**

**RENEWAL OF NUMBER**

**POLICYHOLDER SERVICE OFFICE:**

Old Republic Risk Management, Inc.  
445 South Moorland Road, Suite 300  
Brookfield, WI 53005 (877) 797-3400

**PRODUCER #481**

Roanoke Insurance Group  
Schaumburg, IL

**NAMED INSURED AND MAILING ADDRESS:**

C.H. Robinson Worldwide, Inc.  
14701 Charlson Road, Suite 1400  
Eden Prairie, MN 55347

**POLICY PERIOD:** From 12/31/17 to Until Cancelled at  
12:01 A.M. Standard Time at your mailing address shown above.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, THE COMPANY AGREES WITH THE INSURED TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

**LIMITS OF INSURANCE:** The most we will pay for loss is:

- \$ 250,000 Any one conveyance per any one account of the Named Insured, except that in the following cases this insurance shall not cover more than:
- \$ 50,000 Per any one customer of the Named Insured for shipments of Household Goods & Personal Effects;
- \$ 75,000 Per any one automobile, motorcycle, or boat;
- \$ 25,000 Per any one shipment consisting of cellular telephones, laptop or tablet computers, computer memory modules, cards or sticks, or computer or electronic components assembled on racks.

**GOODS INSURED:** To cover all lawful goods of every description including Household Goods, Personal Effects, Automobiles, Motorcycles, and Boats; however, the following commodities are excluded unless agreed upon in writing by the Insurer: fresh foods, perishables and other temperature controlled goods; pharmaceutical drugs; live animals; flowers; plants; cigarettes; fine arts; cotton; eggs; cash in transit; species; securities and other negotiable papers; bulk products; jewelry and precious stones and metals.

**DEDUCTIBLE:** \$ 500

**PREMIUM:** Premium payable monthly in accordance with the Schedule of Rates endorsed hereon. Premiums for coverage extensions (if any) are noted on the applicable endorsement.

**FORMS AND ENDORSEMENTS:**

See Forms Index

Countersigned (Date): 12/29/17

Authorized Representative

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# OLD REPUBLIC INSURANCE COMPANY

## FORMS INDEX

### FORMS MADE A PART OF THIS POLICY AT TIME OF ISSUANCE:

<u>Form Number</u>	<u>Description</u>
J-01 (01/16)	COMMERCIAL INLAND MARINE INSURANCE POLICY JACKET
PIM 100 12 17	SHIPPERS INTEREST CARGO POLICY DECLARATIONS
ORRM 2008	FORMS INDEX
PIM 101 12 17	SHIPPERS INTEREST CARGO POLICY
PIM 102 12 17	STRIKES, RIOTS AND CIVIL COMMOTIONS
PIM 103 12 17	EXCLUDED SHIPPERS
PIM 104 12 17	SCHEDULE OF RATES
PIM 105 12 17	MINIMUM PREMIUM EXCLUSIVELY FOR A SPECIFIED ACCOUNT
PIM 106 12 17	EXCLUSION FOR SHIPMENTS FROM SPECIFIED ENTITY
PIM 107 12 17	FINE ART BY PETER LIK ENDORSEMENT
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## ORRM 2008

**OLD REPUBLIC INSURANCE COMPANY**

**FORMS INDEX**

**FORMS MADE A PART OF THIS POLICY AT TIME OF ISSUANCE:**

**Form Number**

**Description**

PIL 001 01 15

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

# IL 10 (12/06) OLD REPUBLIC INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## SHIPPER'S INTEREST CARGO POLICY

### SECTION I - GENERAL CONDITIONS

#### A. INSURING AGREEMENT

Named Insured means the person(s) or organization(s) identified as the Named Insured in the Declarations. Company means Old Republic Insurance Company. The term Insured Shipper means a shipper who has agreed in a written contract or agreement with the Named Insured to purchase shipper's interest insurance for a shipment for which the premium is paid.

We will pay for direct physical loss to Covered Property caused by any of the Covered Causes of Loss.

Covered Property as used in this policy means property while in the course of transit as shipments by or to the Insured Shipper; on behalf of the Insured Shipper; or in which the Insured Shipper may have an interest. This insurance also covers all shipments for the account of others on which the Insured Shipper may receive instructions to insure or deem themselves responsible to insure, prior to shipment 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.

Covered Cause of Loss shall include direct physical loss or damage to Covered Property except those causes of loss listed in **SECTION VII - EXCLUSIONS**.

#### B. GEOGRAPHICAL LIMITS

Domestic shipments within the forty-eight (48) contiguous United States, Alaska, and Canada. All other domestic shipments are excluded.

#### C. 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.

#### D. PAYEE

Loss, if any, payable to the Insured Shipper.

#### E. 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 Insured Shipper or

Named Insured, or by reason of any casualty and/or at a transshipping point, or conveyances, the Company 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 Limit(s) of Insurance, provided notice be given to the Company as soon as known to the Named Insured.

**F. VALUATION AND COINSURANCE**

1. 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, or at amounts declared and agreed by the Company prior to shipment.
2. 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.

**Coinsurance:** The Company will not pay the full amount of any loss if the actual value of Covered Property at the time of loss is greater than the reported value for those goods. Instead, the Company will pay only the percentage of loss as the reported value bears to the actual value of Covered Property according to the valuation clause, less any applicable deductible.

**G. FULL VALUE REPORTING**

If the total value at risk exceeds the limit of liability provided by this insurance, the Insured Shipper shall nevertheless, as soon as known, report the full amount at risk to the Company and shall pay full premium thereon, in consideration of which coinsurance, as defined above, is waived by the Company.

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

**H. 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, the Company 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.

**I. CONVEYANCES**

This insurance shall apply to shipments by rail, truck, and/or aircraft.

**J. CARRIER**

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



**K. FRAUDULENT BILLS OF LADING**

This insurance covers physical loss or damage to Covered Property under this Policy occasioned through the acceptance by the Insured Shipper 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 Insured Shipper or their agents.

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

**L. AVERAGE TERMS AND CONDITIONS**

**1. All Risks**

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

However, each claim shall be subject to a \$500 deductible unless a higher deductible is specified herein.

In addition to the insuring conditions noted above, the following special insuring conditions/deductibles shall apply:

**a. Household Goods And Personal Effects**

- 1) Average Clause: This Policy is subject to the condition of average, that is to say, if the Covered Property by this insurance shall, at the time of loss, be of greater value than the sum insured under this insurance, the Insured Shipper shall only be entitled to recover such proportion of the said loss as the sum insured by this Policy bears to the total value of the said goods.
- 2) Depreciation: The Company's liability is restricted to the reasonable cost of repair and no claim is to attach for depreciation consequent thereon.
- 3) Excluding loss or damage due to moth, vermin, wear, tear and gradual deterioration.
- 4) Accompanied Personal Effects: Excluding loss from unattended vehicle.
- 5) Property not covered includes the following: loss of or damage to furs, or any cash, notes, deeds, tickets, traveler's checks, jewelry, watches, or similar valuable articles.
- 6) Owner Packed Household Goods and Personal Effects: Excluding losses due to marring, chipping, scratching and denting. Also excluding shortages and/or missing goods (unless the entire shipment is not delivered).

- 7) It is warranted that a valued itemized inventory must be available to the Company prior to shipment.
- 8) It is warranted that any single antique or piece of artwork shall not exceed \$5,000 in insured value.

**b. Automobiles, Motorcycles And Boats**

- 1) It is warranted that the shipper or their representative shall perform a pre-shipment condition inspection with photographs. Should the Insured Shipper fail to conduct the required inspection, coverage shall absolutely exclude scratching, denting, marring and cost of repainting.
- 2) No coverage shall be granted hereunder while any vehicle is being operated under its own power, except during loading or unloading operations.
- 3) No coverage is provided for goods and/or equipment not permanently installed by manufacturer.
- 4) Coverage for empty trailers is absolutely excluded from this Policy.
- 5) Coverage for Automobiles, Motorcycles and Boats not shipped in fully enclosed containers and/or fully enclosed trailers shall exclude marring, chipping, scratching, denting and cost of repainting.
- 6) Coverage for Boats shipped on trailers shall exclude marring, chipping, scratching, denting, cost of repainting and loss or damage caused by tire damage.

**c. Used Goods**

- 1) Excluding rust, oxidation, and discoloration.
- 2) It is warranted that the shipper or their representative shall perform a pre-shipment condition survey with photographs. Should the Insured Shipper fail to conduct the required survey, coverage shall further absolutely exclude marring, chipping, scratching, and denting.
- 3) The Company shall not be liable for more than \$250,000 on any one conveyance.

**d. Computers And/Or Electronic Components Assembled On Racks**

Each claim shall be subject to a deductible of ten percent (10%) of the total insured value (subject to a minimum deductible of \$5,000).

## SECTION II - ADDITIONAL COVERAGES

### A. SUE AND LABOR

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

### B. 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 Insured Shipper, 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 Insured Shipper's connection therewith, the Company agrees to consult with the Insured Shipper with respect to the disposition of said merchandise and/or containers.

### C. EXPENSES TO INSPECT, REPACKAGE AND RESHIP

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

### D. DEBRIS REMOVAL

This insurance is extended to cover, in addition to any other amount recoverable under this insurance, extra expenses reasonably incurred by the Insured Shipper for the removal and disposal of debris of the Covered Property, or part thereof, by reason of damage thereto caused by an insured risk, but excluding absolutely any expenses incurred in consequence of or to prevent or mitigate pollution or contamination, or any threat or liability thereof;

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

### E. AIR FREIGHT REPLACEMENT

In the event of a covered claim for loss of or damage to the Covered Property, The Company 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 Covered Property were not originally dispatched by air freight.

### F. 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 the Company shall be to pay the insured value of the total set.

**G. DELIBERATE DAMAGE BY CUSTOMS SERVICE**

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

**SECTION III - DURATION OF RISK CLAUSES**

**A. TRANSIT**

This insurance attaches from the time the Covered Property 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 Insured Shipper 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 Insured Shipper's or Consignee's premises.

**B. DEVIATION/ERRORS AND OMISSIONS**

This insurance shall continue to apply if there is unintentional error in description of a shipment or interest, or by deviation, over carriage, transshipment or any other interruption in the ordinary course of transit from causes beyond the control of the Insured Shipper. 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 the Company as soon as known to the Insured Shipper and additional premium paid if required.

**C. CONSOLIDATION/DECONSOLIDATION**

This insurance is extended to cover the Covered Property wherever same is stopped in transit, anywhere in the world, short of final destination, 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 Covered Property at such premises.

**D. CHANGE OF DESTINATION**

In case of voluntary change of destination, deviation and/or delay, within the Insured Shipper's control, the Covered Property shall be held covered. The Insured Shipper 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.

**E. REFUSED OR RETURNED SHIPMENTS**

In the event of refusal or inability of the Insured Shipper or other consignee to accept delivery of Covered Property 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 Insured Shipper 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.

**F. TERMINATION OF TRANSIT (TERRORISM)**

This clause supersedes any provisions to the contrary.

1. 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 Covered Property 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 Covered Property being in the ordinary course of transit and, in any event, shall terminate either:

- a. As per the transit clauses contained within the Policy;
- b. 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;
- c. 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 Insured Shipper or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution; or
- d. When the Insured Shipper 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;

Whichever shall first occur.

**SECTION IV - LOSS ADJUSTMENT CLAUSES**

**A. CONSTRUCTIVE TOTAL LOSS**

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

**B. PARTIAL LOSS**

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

1. An agreed percentage of depreciation, in which event the Insured Shipper shall receive such percentage of the insured value of the damaged Covered Property; or if there is no agreement;
2. Sale of the damaged Covered Property, in which event the Insured Shipper shall receive the difference between the insured value of the damaged Covered Property sold and the proceeds of sale.

**C. 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 the Company shall in no event exceed the amount insured of the machine or manufactured item.

**D. LABELS**

In case of damage affecting labels, capsules or packaging, the Company, 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 packaging and the cost of reconditioning the goods, but in no event shall the Company be liable for more than the insured value of the damaged merchandise.

**E. DEMURRAGE CHARGES**

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

**F. NOTICE OF LOSS**

In case of actual or expected loss of or damage to the Covered Property, it shall be reported to the Company or their claim representatives as soon as practicable upon knowledge by the Insured Shipper of the actual or expected loss.

**G. NOTICE OF SUIT**

No suit, action or proceeding against the Company 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.

**H. GENERAL PROVISIONS**

The following general provisions apply:

1. Insurable Interest

In order to recover under this insurance, the Insured Shipper must have an insurable interest in the Covered Property at the time of the loss.

Subject to 1. above, the Insured Shipper 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 Insured Shipper were aware of the loss and the Company was not.

**2. Duty of Insured Shipper**

It is the duty of the Insured Shipper and their employees and agents in respect of loss recoverable hereunder:

- a.** To take such measures as may be reasonable for the purpose of averting or minimizing such loss; and
- b.** To ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the Company will, in addition to any loss recoverable hereunder, reimburse the Insured Shipper for any charges properly and reasonably incurred in pursuance of these duties.

**3. Waiver**

Measures taken by the Insured Shipper or the Company with the object of saving, protecting or recovering the Covered Property shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

**I. PAYMENT ON ACCOUNT**

The Company agrees that where claim documentation submitted demonstrates that only the amount of the claim is in question, the Company will make a "payment on account" equal to 75% of the lower of the amounts claimed and agreed by the Company.

**J. SUBROGATION**

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

**K. OTHER INSURANCE**

If at the time of loss or damage there is available to the Insured Shipper 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 V - CERTIFICATES AND REPORTING**

### **A. AUTHORITY TO ISSUE CERTIFICATES**

Authority is hereby granted the Named Insured to issue Company's 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 the Company from time to time. All such certificates issued shall be countersigned by a duly authorized representative of the Company.

### **B. REPORTS OF SHIPMENTS**

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

### **C. INSPECTION OF RECORDS**

The Company 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 Insured Shipper as respects Covered Property within the terms of this Policy.

## **SECTION VI - OTHER COVERAGES**

### **A. CONTINGENCY INSURANCE FOR INSURED SHIPPER AS CONSIGNEE**

This insurance is extended to cover the interest of the Insured Shipper, as a vendor in a credit transaction, on all shipments made by the Insured Shipper on terms under which the Insured Shipper 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.

The Company will guarantee to the Insured Shipper 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 Insured Shipper has not been paid. The Company will advance to the Insured Shipper the amount of the loss, damage or expense, as a loan without interest. The Insured Shipper is to repay such amount upon remittance of the sum due the Insured Shipper by the seller, the insurance provided by the seller or otherwise.

This insurance is for the sole account of the Insured Shipper 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 Insured Shipper shall not divulge the existence of this coverage to any party. Such disclosure shall void coverage provided by this clause.

The Insured Shipper shall preserve their rights against the seller or other parties and, upon receipt of payment from the Company, shall subrogate to the Company all rights and shall give all



assistance, other than pecuniary, in enforcing them. The Insured Shipper agrees to report the total value of all such shipments and to pay premiums at rates as agreed.

## **SECTION VII - EXCLUSIONS**

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

### **A. GENERAL EXCLUSIONS**

We will not pay for the following:

1. Ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the Covered Property;
2. Loss, damage or expense attributable to willful misconduct of the Insured Shipper or its employees;
3. Rust, oxidation or discoloration on unpacked and/or unprotected cargo;
4. Loss of market or loss, damage, expense or deterioration arising from delay, whether caused by a peril insured against or otherwise;
5. Loss, damage or expense caused by inherent vice or nature of the Covered Property;
6. Change in temperature or humidity. However, we will pay for direct physical loss or damage to Covered Property, if the change in temperature or humidity is caused by the sudden and accidental breakdown of refrigeration or heating unit(s);
7. Loss, damage or expense caused by insufficiency or unsuitability of packing or preparation of the Covered Property to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Insured Shipper 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);
8. Loss, damage or expense caused by electrical, electronic and/or mechanical breakdown unless the Insured Shipper is able to demonstrate that such damage is the result of a peril insured against; or
9. Loss or damage to goods being towed under their own wheels or on their own trailers, except for Boats shipped on their own trailers.

### **B. GOVERNMENT ACTION EXCLUSION**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Policy.

**C. WAR AND MILITARY ACTION EXCLUSION**

We will not pay for loss or damage caused directly or indirectly by the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

1. War, including undeclared or civil war; or
2. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
3. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**D. RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION**

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

1. Ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
2. The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
3. Any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
4. 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;
5. Any chemical, biological, bio-chemical, or electromagnetic weapon.

**E. RADIOACTIVE CONTAMINATION EXCLUSION**

If fire is an insured peril, and where the goods insured is within the geographical limits described in **SECTION I - GENERAL CONDITIONS**, and a fire arises directly or indirectly from one or more of the causes as detailed in the Sub-Clauses **1.**, **2.**, **4.** and **5.** of the 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.

## IL 10 (12/06) OLD REPUBLIC INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### STRIKES, RIOTS AND CIVIL COMMOTIONS

This endorsement modifies insurance provided under the following:

#### SHIPPERS INTEREST CARGO POLICY

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 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 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;
  - b. On delivery to the consignee's or other final warehouse or place of storage at the destination named herein;
  - c. On delivery to any warehouse or place of storage whether prior to or at the destination named herein, which the Named Insured elects to use either for storage other than in the ordinary course of transit or for allocation or distribution; or

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, 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 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;
5. Nuclear reaction, radiation, or radioactive contamination, as per Extended RACE Clause; or
6. Chemical, biological, bio-chemical or electromagnetic weapon, device, agent or material, as per CBE Clause.

The Named Insured agrees to report all shipments attaching under this cover and to pay premiums therefore at the rates established by the Company 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.

# IL 10 (12/06) OLD REPUBLIC INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUDED SHIPPERS

This endorsement modifies insurance provided under the following:

SHIPPERS INTEREST CARGO POLICY

### SCHEDULE

**Shipper(s):**

Warrs Automotive

Melray

It is understood and agreed that any shipments by or on behalf of the Shipper(s) shown in the above Schedule are excluded from coverage under this Policy.

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## **IL 10 (12/06) OLD REPUBLIC INSURANCE COMPANY**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### **SCHEDULE OF RATES**

This endorsement modifies insurance provided under the following:

SHIPPERS INTEREST CARGO POLICY

#### **SCHEDULE PREMIUM PER SHIPMENT**

##### **Rates for Shipments Of Approved Goods:**

\$1.09 per \$100 of insured values, but subject to a Minimum Premium per any one shipment of \$35.

Rates are for Shipments Of Approved Goods as named in the above Schedule (in approved type packing).

The current Watkins Syndicate rate for war, strikes, riots and civil commotions (except to countries that are or may become "on application") is .05 per \$100 of insured value, and is included in the rates in the above Schedule.

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## **IL 10 (12/06) OLD REPUBLIC INSURANCE COMPANY**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### **MINIMUM PREMIUM EXCLUSIVELY FOR A SPECIFIED ACCOUNT**

This endorsement modifies insurance provided under the following:

SHIPPERS INTEREST CARGO POLICY

#### **SCHEDULE**

**Account:** Upstate Breakers

**Minimum Premium Per Any One Shipment:** \$60.00

It is hereby understood and agreed that all Shipments for the Account named in the above Schedule shall be subject to the Minimum Premium Per Any One Shipment shown in the above Schedule.

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## **IL 10 (12/06) OLD REPUBLIC INSURANCE COMPANY**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### **EXCLUSION FOR SHIPMENTS FROM SPECIFIED ENTITY**

This endorsement modifies insurance provided under the following:

SHIPPERS INTEREST CARGO POLICY

#### **SCHEDULE**

**Entity:** Architectural Supply, Inc.

Sculptors of Fine Architectural Hand Carved Natural Stone Products

It is understood and agreed that all shipments involving the Entity shown in the above Schedule are excluded from the Policy. The Company reserves the right to deny all claims for shipments that originate from and/or are supplied by the Entity shown in the above Schedule.

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# IL 10 (12/06) OLD REPUBLIC INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## FINE ART BY PETER LIK ENDORSEMENT

This endorsement modifies insurance provided under the following:

### SHIPPERS INTEREST CARGO POLICY

It is hereby understood and agreed that all shipments of Fine Art by Peter Lik and similar goods or merchandise pertinent to the business of the Named Insured, professionally packed for transit are insured against all risks of physical loss or damage from any external cause, except as excluded by **SECTION VII - EXCLUSIONS** of this policy.

It is further understood that:

1. The Company shall not be liable for more than \$30,000 on any one truck.
2. All claims for loss or damage shall be subject to a minimum deductible of \$500 for each and every loss.
3. The Rate is:

<u>FROM/TO:</u>	<u>TO/FROM:</u>	<u>ALL RISKS RATE</u>
US/Canada	US/Canada	\$1.09 per \$100 insured value subject to a minimum premium any one shipment of \$35

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## **IL 10 (12/06) OLD REPUBLIC INSURANCE COMPANY**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### **CONCEALED DAMAGE CONDITION**

This endorsement modifies insurance provided under the following:

SHIPPERS INTEREST CARGO POLICY

If caused by an insured peril, the following additional condition shall also apply:

#### **CONCEALED DAMAGE**

It is understood and agreed that any loss or damage found and reported upon opening of original shipping packages at the final destination, but not exceeding five (5) business days after delivery to the final destination as provided elsewhere in this Policy, shall be adjusted and paid by the Company 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.

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# IL 10 (12/06) OLD REPUBLIC INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## MINNESOTA CHANGES - CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

SHIPPERS INTEREST CARGO POLICY

**SECTION I - GENERAL CONDITIONS, I. CANCELLATION**, is replaced as follows:

### A. CANCELLATION

1. The Named Insured shown in the Declarations may cancel this policy by mailing or delivering to the Company advance written notice of cancellation.
2. The Company may cancel this Policy, subject to the provisions of Paragraph **3.** below, by first class mailing, or by delivery, of a written notice of cancellation to the Named Insured and any agent, to the Named Insured's last mailing addresses known to the Company. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

### 3. Policies In Effect

#### a. Less Than 90 Days

If this Policy is a new Policy and has been in effect for fewer than 90 days, the Company may cancel for any reason by giving notice at least:

- (1) 10 days before the effective date of cancellation, if the Company cancels for nonpayment of premium; or
- (2) 30 days before the effective date of cancellation, if the Company cancels for any other reason.

#### b. 90 Days Or More

If this Policy has been in effect for 90 days or more, or if it is a renewal of a Policy the Company issued, the Company may cancel only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Misrepresentation or fraud made by the Named Insured or with the Named Insured's knowledge in obtaining the Policy or in pursuing a claim under the Policy;
- (3) An act or omission by the Named Insured that substantially increases or changes the risk insured;

- (4) Refusal by the Named Insured to eliminate known conditions that increase the potential for loss after notification by the Company that the condition must be removed;
- (5) Substantial change in the risk assumed, except to the extent that the Company should reasonably have foreseen the change or contemplated the risk in writing the contract;
- (6) Loss of reinsurance by the Company which provided coverage to the Company for a significant amount of the underlying risk insured. Any notice of cancellation pursuant to this item shall advise the policyholder that he or she has 10 days from the date of receipt of the notice to appeal the cancellation to the commissioner of commerce and that the commissioner will render a decision as to whether the cancellation is justified because of the loss of reinsurance within 30 business days after receipt of the appeal;
- (7) A determination by the commissioner that the continuation of the policy could place the Company in violation of the Minnesota insurance laws; or
- (8) Nonpayment of dues to an association or organization, other than an insurance association or organization, where payment of dues is a prerequisite to obtaining or continuing such insurance. This provision for cancellation for failure to pay dues shall not be applicable to persons who are retired at 62 years of age or older or who are disabled according to social security standards.

Under this Item **3.b.**, the Company will give notice at least:

- (1) 10 days before the effective date of cancellation, if the Company cancels for nonpayment of premium. The cancellation notice shall contain the information regarding the amount of premium due and the due date, and shall state the effect of nonpayment by the due date. Cancellation shall not be effective if payment of the amount due is made prior to the effective date of cancellation; or
  - (2) 60 days before the effective date, if the Company cancels for a reason described in Paragraphs **3.b.(2)** through **(8)** above. The notice of cancellation will state the reason for cancellation.
- 4. If this Policy is cancelled, the Company will send the Named Insured any premium refund due. If the Company cancels, the refund will be pro rata. If the Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if the Company has not made or offered a refund.
  - 5. Proof of mailing of any notice shall be sufficient proof of notice.

**B. NONRENEWAL**

The following is added and supersedes any provisions to the contrary:

If the Company decides not to renew this policy, we may do so by giving the Named Insured and any agent written notice of our intent not to renew at least 60 days before the expiration date of this policy. Such notice will be delivered or mailed by first class mail to the Named Insured's last mailing addresses known to the Company.

Proof of mailing of any notice shall be sufficient proof of notice.

The Company need not mail or deliver this notice if the Named Insured has:

1. Insured elsewhere;
2. Accepted replacement coverage; or
3. Agreed not to renew this Policy.

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# IL 10 (12/06) OLD REPUBLIC INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## MINNESOTA CHANGES

This endorsement modifies insurance provided under the following:

SHIPPERS INTEREST CARGO POLICY

**A. SECTION V - CERTIFICATES AND REPORTING, C. INSPECTION OF RECORDS**, is replaced with the following:

**C.** We may examine and audit the Named Insured's books and records as they relate to this policy at any time during the policy period and up to one year afterward.

**B.** The following is added to **SECTION IV - LOSS ADJUSTMENT CLAUSES, H. GENERAL PROVISIONS**, Paragraph 2. Duty of Named Insured:

It is further the duty of the Named Insured and their employees and agents in respect of loss recoverable hereunder:

**a.** Give the Company or the Company's agent prompt notice of the loss or damage. Include a description of the property involved.

**b.** As often as the Company reasonably requires:

**1)** Permit the Company to inspect the property. Also, permit the Company to take samples of damaged and undamaged property for inspection, testing and analysis.

**2)** Provide the Company with records and documents reasonably related to the loss, or certified copies if the originals are lost, and permit the Company to make copies.

**c.** After the Company informs the Named Insured:

**1)** Of the right to counsel; and

**2)** That the Named Insured's answers may be used against the Named Insured in later civil or criminal proceedings;

The Company may examine any Named Insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim. In the event of an examination, the Named Insured's answers must be signed.

**C.** The following is added to **SECTION IV - LOSS ADJUSTMENT CLAUSES, H. GENERAL PROVISIONS**:

Provided the Named Insured has complied with all the terms of this Policy, the Company will pay for covered loss or damage within 5 business days after the Company has received the proof of loss and:

1. The Company has reached agreement with the Named Insured or, in the event the Company uses an independent claims adjuster, the Company has received the agreement and the Named Insured has satisfied the conditions of the agreement, if any; or
2. An appraisal award has been made.

**D. The following is added to SECTION IV - LOSS ADJUSTMENT CLAUSES, J. SUBROGATION:**

The Company's rights do not apply against:

1. An insured; or
2. Any person or organization insured under another Coverage Part which was issued by the Company and responds to the same loss;

Providing the loss was not intentionally caused by such insureds.

**E. The following is added to SECTION I - GENERAL CONDITIONS:**

**CONCEALMENT, MISREPRESENTATION OR FRAUD**

The Company will not pay for any loss or damage if the Named Insured has:

1. Before a loss, willfully; or
2. After a loss, willfully and with intent to defraud;

Concealed or misrepresented any material fact or circumstances concerning:

- a. This Policy;
- b. The Covered Property
- c. Your interest in the Covered Property; or
- d. A claim under this Policy.

## IL 10 (12/06) OLD REPUBLIC INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

- A.** If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

**B. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any injury, loss or damage that is otherwise excluded under this Indemnity, Insurance, Coverage, Coverage Part or Policy, such as injury, loss or damage excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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