

MARINE OPEN CARGO POLICY

INDEX

	Page		Page
Accumulation	3	Full Value Reporting	2
Attachment and Cancellation	2	Fumigation	6
Bailee	5	General Average & Salvage	3
Bill of Lading/Seaworthiness Admitted	5	Geographical Limits	2
Both-to-Blame Collision	5	Goods Insured	2
Brands or Trademarks	6	Guarantee of Collectibility	11
Brokers	14	Inchmaree	5
Cancellation	14	Increased Value	11
Carrier Insolvency	8	Insufficiency of Packing	12-13
Chemical, Biological, Bio-Chemical & Electromagnetic	10	Insuring Conditions	3
Company's Option to Advance Loss	13	Interest	2
Concealed Damage	12	Labels	6
Consolidation and Packaging	12	Landing, Warehousing, Forwarding	6
Constructive Total Loss	7	Machinery	5
Container Demurrage Charges	12	Marine Extension	4-5
Container Shipments	4	Non-Delivery	12
Contingency Interest	11	Notice of Loss	13
Control of Damaged Merchandise	6	Nuclear/Radioactive Contamination Exclusion	9
Conveyances	2	Other Insurance	14
Craft, Etc.	2	Pairs & Sets	6
D.I.C., Increased Value, Contingency	11	Paramount Warranties	8-10
Debris Removal	6	Partial Loss	7
Declaration of Risks/Certificates of Insurance	13	Payee	2
Delay Warranty	9	Payment of Loss	13
Deliberate Damage – Pollution Hazard	7	Perils	3
Deliberate Damage – Customs Service	7	Radioactive Contamination Exclusion	10
Deviation/Transshipment	5	Returned or Refused Shipments	7
Difference in Conditions	11	Right of First Refusal	13
Drop Shipments	11	S.R. & C.C.	9
Duty & Collect Freight	10	Shore Coverage	3
Expediting Expense	7-8	Shortage from Containers	12
Explosion	6	South American Clause	5
Extended Radioactive Contamination Exclusion	9-10	Subrogation	8
F.C. & S.	8-9	Sue and Labor	8
F.O.B., F.A.S., C & F Sales	11	Suit	13
F.P.A.	3	U.S. Economic and Trade Sanctions	10
Fraudulent Documents	12	Warehouse to Warehouse	4

MARINE OPEN CARGO POLICY

INTEREST

For account of whom it may concern.

PAYEE

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

GOODS INSURED

To cover all lawful shipments of goods and/or merchandise of every kind and description, consisting principally of, but not limited to goods as listed on declarations page, including packing material and similar property incidental to the Assured's business, and including prepaid freight, advanced freight, guaranteed freight and freight payable vessel lost or not lost, under- or on-deck, shipped by or consigned to the Assured or by or to others for the Assured's account or control or in which the Assured may have an insurable interest.

Also to cover shipments for the account of others on which the Assured may receive instructions to insure, provided such instructions are given prior to shipment or prior to any known or reported loss or incident.

ATTACHMENT AND CANCELLATION

This Policy is continuous and covers all shipments while in transit made on and after the effective date of this Policy and is to continue until canceled by either party giving the other thirty (30) days notice in writing. Such cancellation, however, shall not prejudice any risks which shall have attached prior to notice of cancellation.

FULL VALUE REPORTING

If the total value at risk exceeds the limit of liability provided by this Policy, the Assured shall, nevertheless, report to the Company the full amount at risk and shall pay full premium thereon. The acceptance by this Company of such reports and premium, shall not alter or increase the limits of this Company's liability, but the Company shall be liable for the full amount of loss up to, but not exceeding, the applicable limits of liability.

GEOGRAPHICAL LIMITS

To be insured lost or not lost, except to the extent coverage is prohibited by United States of America law, or United States of America governmental decree, at and from ports and/or places in the World to ports and/or places in the World, including the risk of transshipment by land, air, water or otherwise; but excluding shipments beginning and ending within the 48 contiguous states of the United States, and Canada, but including intercoastal and coastwise shipments via water.

CONVEYANCES

This Policy covers all shipments made by vessel, barge, and/or land conveyance and/or air conveyance and/or connecting conveyances (by land or otherwise).

Wherever the words "ship," "vessel," "seaworthiness," "ship owner" or "vessel owner" appear in this Policy, they are deemed to include also the words "aircraft," "airworthiness" and "aircraft owner."

CRAFT, ETC.

This insurance to include transit by craft, raft and/or lighter to and from the vessel; each craft, raft and/or lighter to be deemed a separate insurance. Also to cover any special or supplementary lighterage at additional premium, if required. The Assured is not to be prejudiced by any agreement exempting lightermen from liability.

ACCUMULATION

Should there be an accumulation of interests beyond the limits expressed in this Policy by reason of any interruption of the transit and/or an occurrence beyond the control of the Assured, and/or by reason of any casualty and/or at a transshipping point and/or on a connecting vessel or conveyance, the Company shall hold covered such excess interest and be liable for the full amount at risk (but in no event for more than twice the Policy limit which would be applicable to any one vessel), provided notice be given to the Company as soon as known to the Assured.

PERILS

The adventures and perils which this Company is content to bear and do take upon themselves are: of the seas, fires, rovers, assailing thieves, jettisons, barratry of the master and mariners, and all other like perils, losses and misfortunes, that have or shall come to the hurt, detriment, or damage of the interest insured or any part thereof, except as may be otherwise provided for herein.

F.P.A.

Warranted Free of Particular Average unless the vessel or craft be stranded, sunk, or burnt, but notwithstanding this warranty, the Company is to pay any loss or damage to the interest insured which may reasonably be attributed to fire, collision or contact of the vessel and/or craft and/or conveyance with any external substance (ice included) other than water, or to discharge of cargo at port of distress. The foregoing warranty, however, shall not apply where broader terms of Average are provided for herein, or in the certificate or special marine policy to which these clauses are attached.

GENERAL AVERAGE & SALVAGE

General Average and Salvage Charges payable according to United States laws and usage and/or as per foreign statement and/or as per York-Antwerp Rules (as prescribed in whole or in part) if in accordance with the contract of Affreightment.

SHORE COVERAGE

While in transit or otherwise on land this Policy insures against loss and/or damage, irrespective of percentage, caused by fire, smoke, lightning, earthquake, volcanic action, typhoon, hurricane, cyclone, windstorm, landslide, flood, rising waters, sprinkler leakage, collision, upset, overturn, derailment or any other accident to the land conveyance, aircraft damage, falling objects, collapse and/or subsidence of docks, wharves, piers, quays, bridges, culverts and/or other structures, whether the insurance be Free of Particular Average or otherwise; notwithstanding the foregoing however, shipments insured under the waterborne clause by broader than "Free of Particular Average" conditions are insured while in transit or otherwise on land under the same conditions.

INSURING CONDITIONS

1. All goods and/or merchandise as described under the **GOODS INSURED** clause, and on the Declarations Page, except while ON DECK of an ocean vessel and subject to an ON DECK bill of lading (unless otherwise specifically provided for herein) are insured:

As per insuring conditions specified on Declarations Page.

2. Shipments ON DECK of an ocean vessel without the knowledge and consent of the Assured and subject to an UNDER DECK bill of lading are insured subject to the same insuring terms, conditions, rates and limits of liability as set forth in this Policy for UNDER DECK shipments.
3. Shipments ON DECK and subject to an ON DECK bill of lading (unless otherwise specifically provided for herein) are insured:

Free of Particular Average unless caused by stranding, sinking, burning, collision or contact of the vessel or craft with any external substance (ice included) other than water, but including the risks of jettison or washing overboard irrespective of percentage.

CONTAINER SHIPMENTS

Goods and/or Merchandise shipped and/or carried in containers and/or vans, and/or flat racks, and/or trailers, and/or Lash barges or lighters, and/or Seabee barges or lighters, and/or other barge-ship systems shall be insured subject to the under-deck terms, conditions and limits of liability as set forth in this Policy, whether or not such goods are stowed under-and/or on-deck, provided such goods are carried under a tariff and/or bill of lading permitting the carrier to stow the goods on-deck or under-deck or providing that goods stowed on-deck are considered or deemed stowed under-deck.

WAREHOUSE TO WAREHOUSE

This insurance attaches from the time the goods leave the warehouse and/or store and/or location at the place named in the Policy, Certificate or Declaration (if the Policy requires individual reporting of shipments) for the commencement of the transit and continues during the ordinary course of transit, including customary transshipment, if any, until the goods are discharged overside from the vessel at the final port. Thereafter the insurance continues while the goods are in transit and/or awaiting transit until delivered to the final warehouse at the destination named in the Policy, Certificate or Declaration, or until the expiry of fifteen (15) days or thirty (30) days if the destination to which the goods are insured is outside the port limits, whichever shall first occur. The time limits referred to above to be reckoned from midnight of the day on which the discharge of the goods hereby insured from the overseas vessel is completed. Held covered at a premium to be arranged in the event of transshipment, if any, other than as above and/or in the event of delay in excess of the above time limits arising from circumstances beyond the control of the Assured.

It is necessary for the Assured to give prompt notice to the Company when they become aware of an event for which they are "held covered" and the right to such cover is dependent on compliance with this obligation.

MARINE EXTENSION

This Policy is extended to cover all shipments which become at risk hereunder in accordance with the following clauses:

1. This insurance attaches from the time the goods leave the warehouse and/or store and/or location at the place named in the Policy, Certificate or Declaration for the commencement of the transit and continues during the ordinary course of transit, including customary transshipment, if any, until the goods are delivered to the final warehouse at the original destination named in this Policy, Certificate or Declaration, or a substituted destination as provided in Clause 3. hereunder.
2. This insurance specifically to cover the goods during deviation, delay, forced discharge, reshipment and transshipment and any other variation of the adventure arising from the exercise of a liberty granted to the ship owner or charterer under the contract of affreightment.
3. In the event of the exercise of any liberty granted to the ship owner or charterer under the contract of affreightment whereby such contract is terminated at a port or place other than the destination named herein, the insurance continues until the goods are sold and delivered at such port or place; or, if the goods be not sold but are forwarded to the destination named herein or to any other destination this insurance continues until the goods have arrived at final warehouse as provided in Clause 1., above.
4. If while this insurance is still in force and before the expiry of fifteen (15) days from midnight of the day on which the discharge overside of the goods hereby insured from the overseas vessel at the final port of discharge is completed, the goods are re-sold (not being a sale within the terms of Clause 3.) and are to be forwarded to a destination other than that covered by this insurance, the goods are covered hereunder while deposited at such port of discharge until again in transit or until the expiry of the aforementioned fifteen (15) days, whichever shall first occur. If a sale is effected after the expiry of the aforementioned fifteen (15) days while this insurance is still in force, the protection afforded hereunder shall cease as from the time of sale.
5. Held covered at a premium to be arranged in case of change of voyage or of any omission or error in the description of the interest, vessel or voyage.
6. This insurance shall in no case be deemed to extend to cover loss, damage or expense proximately caused by delay or inherent vice or nature of the subject matter insured, unless otherwise specifically provided for herein.

7. It is a condition of this insurance that there shall be no interruption or suspension of transit unless due to circumstances beyond the control of the Assured.

SOUTH AMERICAN CLAUSE

With respect to shipments insured in U.S. currency and shipped to South America, and notwithstanding anything contained elsewhere herein to the contrary, particularly the Warehouse to Warehouse and Marine Extension clauses, this insurance shall continue to cover for sixty (60) days, (ninety (90) days on shipments via the Magdalena River) after completion of discharge of the overseas vessel at port of destination or until the goods are delivered to the final warehouse at destination, whichever may first occur, and shall then terminate.

The time limit referred to above to be determined from midnight of the day on which the discharge of the overseas vessel is completed.

DEVIATION/TRANSSHIPMENT

This insurance shall not be vitiated by any unintentional error in description of vessel, voyage, or interest, or by deviation, over-carriage, change of voyage, transshipment or any other interruption of the ordinary course of transit, from cause beyond the control of the Assured. 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 Assured, and additional premium paid if required.

BILL OF LADING/SEAWORTHINESS ADMITTED

The Assured is not to be prejudiced by the presence of the negligence clause and/or latent defect clause in the bills of lading and/or charter party and/or contract of affreightment. The seaworthiness of the vessel and/or craft as between the Assured and this Company is hereby admitted, and the Company agrees that in the event unseaworthiness or a wrongful act or misconduct of ship owner, charterer, their agents or servants, shall directly or indirectly, cause loss or damage to the cargo insured by sinking, stranding, fire, explosion, contact with seawater, or by any other cause of the nature of any of the risks assumed in the Policy, the Company will (subject to the terms of average and other conditions of the Policy) pay the resulting loss to the Assured. With leave to sail with or without pilots, and to tow and assist vessels or craft in all situations and to be towed.

BAILEE

Warranted that this insurance shall not inure, directly or indirectly, to the benefit of any Carrier or Bailee.

BOTH-TO-BLAME COLLISION

Where the goods are shipped under a bill of lading containing the so called "Both-to-Blame Collision" clause, or similar clause, this Company agrees, as to all losses covered by this insurance, to indemnify the Assured for any amount (up to the amount insured) which the Assured may be legally bound to pay to the ship owners under such clause. In the event that such liability is asserted the Assured agrees to notify the Company who shall have the right, at its own cost and expense, to defend the Assured against such claim.

INCHMAREE

This insurance is extended to cover any loss of or damage to the interest insured hereunder caused through the bursting of boilers, breakage of shafts, pipes and/or connections or through any latent defect in the machinery, hull or appurtenances; also from faults or errors in the navigation or management of the vessel by the master, mariners, mates, engineers or pilots; provided, however, that this clause shall not be construed as covering loss arising out of delay, deterioration or loss of market, unless otherwise provided herein.

MACHINERY

On shipments of machinery or other manufactured products consisting when complete for sale or use of several parts, the liability under this insurance is limited to the insured value of the part or parts lost or damaged, or, at the Assured's option, the cost and expense of repairing, replacing, assembling or duplicating the lost or damaged part, including forwarding charges, labor and installation charges necessary to restore the damaged machine or product to its condition at time of shipment.

LANDING, WAREHOUSING, FORWARDING

Notwithstanding any average warranty contained herein, this Company agrees to pay any landing, warehousing, forwarding and special charges or other expenses and/or particular charges, if incurred, also any partial loss arising from transshipment and loss, damage or expense reasonably attributed to discharge at port of distress. Also to pay the insured value of any package, piece or unit totally lost in loading, transshipment or discharge.

EXPLOSION

The risks covered by this insurance are to include loss, damage or expense resulting from explosion and/or fire, howsoever or wheresoever occurring, irrespective of percentage, whether the insurance be Free of Particular Average or otherwise, but excluding risks excepted by the Free of Capture & Seizure and Strikes, Riots & Civil Commotions Warranties.

LABELS

In case of damage from perils insured against affecting labels, capsules, wrappers or cartons, liability under this insurance is limited to an amount sufficient to pay the costs of reconditioning and re-labeling the goods, and the cost of new labels capsules, wrappers or cartons, but in no event shall the Company be liable for more than the insured value of the damaged goods and/or merchandise.

BRANDS OR TRADEMARKS

At the option of the Assured, in case of loss or damage to property insured hereunder bearing a brand or trademark, or the sale of which carries or implies a guarantee of the supplier or the Assured, the salvage value of such damaged property shall be determined after removal, in the customary manner, of all brands or trademarks. On packages where the brand or trademark cannot be removed, the contents shall be transferred to plain packages. With respect to any property and/or packages where it is impractical to destroy all evidence of the Assured's connections therewith, this Company agrees to consult with the Assured with respect to the disposition of said property and/or packages.

CONTROL OF DAMAGED MERCHANDISE

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

Where the disposal or sale of such damaged goods is, in the opinion of the Assured, detrimental to their interests (or which they are unable to sell or dispose of under their agreement with any trade association), such damage shall be treated as a constructive total loss and the Assured shall dispose of the damaged goods to the best advantage, underwriters being entitled to such proceeds, or they shall be destroyed in the presence of a representative of underwriters and the Assured.

PAIRS AND SETS

Loss of or damage to any one item of the goods and/or merchandise insured under this Policy which consist of items in a pair or set, shall constitute a total loss of such pair or set.

FUMIGATION

In the event of loss or damage of the interest insured caused by fumigation, the Company agrees to indemnify the Assured for such loss or damage, and the Assured hereby agrees to subrogate to this Company any recourse they may have for recovery of such loss or damage from others.

DEBRIS REMOVAL

This Policy is extended to cover expenses incurred for the removal of all debris of insured property which may be occasioned by loss caused by any of the perils insured against under this Policy. It is further agreed that such expenses are limited to ten percent (10%) of the insured value of the shipment contained herein. With respect to shipments of liquids in bulk, in no event shall there be a recovery for clean-up expenses associated with the prevention or mitigation of a pollution hazard or threat thereof.

DELIBERATE DAMAGE – POLLUTION HAZARD

This Policy is extended to cover, but only while the property insured is on board a waterborne conveyance, loss of or damage to said property 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 property insured would have sustained physical loss or damages as a direct result of such accident or occurrence. This clause shall not increase the Limits of Liability provided for under this Policy.

DELIBERATE DAMAGE – CUSTOMS SERVICE

This Policy is also specifically to cover, notwithstanding the Free of Capture & Seizure Warranty contained herein, loss of or damage to the goods insured arising out of the performance of inspection duties by Customs Service Agents or other duly constituted governmental agencies who are performing inspection duties of or for the Customs Service. This clause shall not increase the Limits of Liability provided for under this Policy.

CONSTRUCTIVE TOTAL LOSS

No recovery for a constructive total loss shall be had hereunder unless the property insured is reasonably abandoned on account of its actual total loss appearing to be unavoidable, or because it cannot be preserved from actual total loss without an expenditure which would exceed its value when the expenditure had been incurred.

PARTIAL LOSS

In all cases of damage caused by perils insured against, the loss shall, as far as practicable, be ascertained by a separation and a sale or appraisal (cost of which to become part of the claim) of the damaged portion only of the contents of the packages so damaged and not otherwise.

RETURNED OR REFUSED SHIPMENTS

In the event of refusal or inability of the Assured or consignee or others to accept delivery of the property insured hereunder, this insurance is extended to cover such property at its original insured value and subject to the original insuring conditions of this Policy during return and/or until otherwise disposed; provided, however, the goods and/or merchandise are properly packed for the return voyage.

EXPEDITING EXPENSE

Coverage is extended to indemnify the Assured for the reasonable and necessary additional expenses incurred following a covered loss to obtain repairs or replacement on an expedited basis. These costs are limited to the following expediting costs:

1. The additional cost to ship replacement property or replacement parts by express freight;
2. The increased costs of repairs due to the cost of overtime labor to effect repairs more quickly than would otherwise have been possible;
3. The increased costs to obtain replacement documentation and customs clearance more quickly than would otherwise have been possible;
4. The costs to fly repair personnel to repair site in order to effect repairs on site;
5. The accommodation expenses incurred by repair personnel repairing property which is damaged, and covered hereunder, while being repaired on site.

The costs referred to in **4.** and **5.** above shall only be recoverable if capable repair personnel cannot be obtained locally.

This coverage extension is applicable immediately upon discovery of loss for property sustaining physical damage; instances involving non-delivery or lost shipments are subject to a seven (7) day waiting period before this coverage becomes available.

The most this Company will pay under this coverage extension is \$25,000 in any one occurrence. This limit is in addition to any other limit of liability that is provided by this Policy.

CARRIER INSOLVENCY EXTRA EXPENSE

In the event of the termination of the insured voyage at a place other than the final destination due to insolvency and/or financial default of the carrier, the additional freight charges to forward the goods and/or merchandise to the final destination are a recoverable expense under this Policy, subject to a maximum expense of \$50,000.

SUE AND LABOR

In case of any imminent or actual loss or misfortune, it shall be lawful and necessary for the Assured, their factors, servants and assigns, to sue, labor and travel for, in, and about the defense, safeguard and recovery of the interest insured, or any part thereof, without prejudice to this insurance, the charges whereof this Company shall bear in proportion to the sum hereby insured. It is expressly declared and agreed that no acts of this Company or the Assured in recovering, saving, or preserving the property insured shall be considered as a waiver or acceptance of abandonment.

SUBROGATION

In all cases of loss the Assured shall, at the request of the Company or its Agents, assign and subrogate to the Company at the time of payment and to an amount not exceeding the sum paid by the Company, all their rights and claims against others and permit suit to be brought in the Assured's name but at the Company's expense; the Assured further agrees to render all reasonable assistance in the prosecution of said suit or suits.

PARAMOUNT WARRANTIES

The following warranties shall be paramount and shall not be modified or superseded by any other provision included herein, or stamped, or endorsed hereon unless such other provision refers specifically to the risks excluded by these warranties and expressly assumes the said risks:

1. F.C. & S. (Free of Capture and Seizure) Warranty

Notwithstanding anything herein contained to the contrary this insurance is warranted free from:

- a.** Capture, seizure, arrest, restraint, detainment, confiscation, preemption, requisition or nationalization, and the consequences thereof or any attempt thereat, whether in time of peace or war and whether lawful or otherwise.
- b.** All loss, damage or expense, whether in time of peace or war, caused by:
 - (i)** Any weapon of war employing atomic or nuclear fission and/or fusion or other reaction or radioactive force or matter or;
 - (ii)** Any mine or torpedo.
- c.** All consequences of hostilities or warlike operations (whether there be a declaration of war or not), but this warranty shall not exclude collision or contact with aircraft, or with rockets or similar missiles (other than weapons of war) or with any fixed or floating object (other than a mine or torpedo), stranding, heavy weather, fire or explosion unless caused directly (and independently of the nature of the voyage or service which the vessel concerned or, in the case of a collision, any other vessel involved therein, is performing) by a hostile act by or against a belligerent power; and for the purpose of this warranty "power" includes any authority maintaining naval, military or air forces in association with a power.

- d. The consequences of civil war, revolution, rebellion, insurrection, or civil strife arising therefrom; or from the consequences of the imposition of martial law, military or usurped power or martial law; or piracy.

2. S.R. & C.C. (Strikes, Riots & Civil Commotions) Warranty

Notwithstanding anything herein contained to the contrary, this insurance is warranted free from loss, damage or expense caused by or resulting from:

- a. Strikes, lockouts, labor disturbances, riots, civil commotions, or the acts of any person or persons taking part in any such occurrences or disorders.
- b. Vandalism, sabotage or malicious act, which shall be deemed also to encompass 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.

3. Delay Warranty

Warranted free of claim for loss of market or for loss, damage or deterioration arising from delay, whether such delay be caused by a peril insured against or otherwise.

4. Nuclear/Radioactive Contamination Exclusion Warranty

Notwithstanding anything to the contrary herein, it is hereby understood and agreed that this Policy shall not apply to any loss, damage or expense due to or arising out of, whether directly or indirectly, nuclear reaction, radiation, or radioactive contamination, regardless of how it was caused. However, subject to all provisions of this Policy, if this Policy insures against fire, then direct physical damage to the property insured located within the United States, or any territory of the United States or Puerto Rico, by fire, directly caused by the above excluded perils, is insured, provided that the nuclear reaction, radiation, or radioactive contamination was not caused, whether directly or indirectly, by any of the perils excluded by the F.C. & S. clause of this Policy. Nothing in this clause shall be construed to cover any loss, damage, liability or expense caused by nuclear reaction, radiation or radioactive contamination arising directly or indirectly from the peril of fire mentioned above.

5. Extended Radioactive Contamination Exclusion Warranty (March 1, 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.

Radioactive Contamination Exclusion (U.S.A.)

This insurance is subject to the Extended Radioactive Contamination Exclusion Clause (March 1, 2003) provided that if fire is an insured peril

and
where the subject matter insured or, in the case of a reinsurance, the subject matter insured by the original insurance, 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 detailed in Sub-Clauses **a.**, **b.**, and **d.** of the Extended Radioactive Contamination Exclusion Clause March 1, 2003 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.

6. Chemical, Biological, Bio-Chemical, and Electromagnetic Exclusion (March 1, 2003)

In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to or arising from an actual or threatened act involving a chemical, biological, bio-chemical or electromagnetic weapon, device, agent or material when used in an intentionally hostile manner.

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.

DUTY & COLLECT FREIGHT

This insurance also covers, subject to policy terms of average, the risk of partial loss by reason of perils insured against on the duties and/or excise taxes imposed on goods and/or collect freight and insured hereunder, it being understood and agreed, however, that when the risk upon the goods continues beyond the time of landing from the overseas vessel or conveyance, the increased value, consequent upon the payment of such duties, shall attach as an additional insurance upon the goods from the time such duty is paid or becomes due, to the extent of the amounts thereof actually paid or payable.

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

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

This insurance on duty, excise taxes, collect freight, and/or increased value shall terminate at the end of the transit movement covered under this insurance, but nothing contained in these clauses shall alter or affect any coverage granted elsewhere in the Policy during the storage or transit subsequent thereto.

D.I.C., INCREASED VALUE, CONTINGENCY

It is agreed that shipments purchased C.I.F., or on other terms including insurance, or shipments insured and carried under tariffs providing insurance are covered hereunder (the Assured's interest being hereby admitted), subject to any or all of the following clauses:

1. Difference in Conditions

This insurance is to cover the risks not covered in the insurance furnished by the shipper, carrier or others but which would be covered had the insurance been originally declared hereunder.

2. Increased Value

This insurance is to cover any difference between the value insured in the insurance furnished by the shipper, carrier or others and the value which would have been declared in accordance with valuation clauses herein. Also to cover such proportion of excess General Average and/or Salvage Charges as shall not be recoverable under the insurance furnished by the shipper, carrier or others but this Company shall not be liable for a greater proportion of such charges than the value insured hereunder (less a Particular Average for which this Company is liable) bear to the difference between the value insured under the insurance provided by the shipper, carrier or others and the contributory value or to the total value insured against excesses if the total value insured against excesses exceeds such difference.

3. Contingency Interest

This Policy is extended to cover the interest of the Assured in shipments bought or sold on terms which do not require the Assured to provide insurance. Property insured under this clause shall be valued at the Assured's invoice amount.

In the event of nonpayment from shipper, buyer, carrier or others, this Company agrees, in the event of physical loss or damage to the property insured, to advance as a loan such sum as would be recoverable under this Policy had the property been insured according to the terms of this Policy customarily used in respect of the property at risk. Such loan to be repayable only in the event of payment to the Assured or to the extent of any recovery received by the Assured from the insurance of the buyer or otherwise.

F.O.B., F.A.S., C & F SALES

This Policy is extended to cover export shipments sold on terms which do not require the Assured to provide insurance. Insurance provided by this clause shall cover loss or damage which would be recoverable under this Policy had the property been sold C.I.F. and insured according to the terms of this Policy customarily used in respect to the property at risk. On all such shipments, this insurance shall attach as per the terms and conditions of this Policy and shall continue until the property is delivered on board the overseas conveyance or until the Assured's interest ceases, whichever shall first occur.

GUARANTEE OF COLLECTIBILITY

Shipments made by the Assured on terms whereby the assured is not obligated to furnish marine insurance, the Company will guarantee to the Assured the prompt collection of losses which come within the terms of this insurance. In the event of such payment as provided herein, this Company will advance to the Assured such payments as a loan, repayable only to the extent of any amount subsequently collected from the insurance provided by the buyer or otherwise.

The Assured agrees that in no case shall this coverage be divulged to the buyer or any other party. Disclosure of this coverage to the buyer or other interested party will void coverage under this clause. Any loan so prejudiced shall be repayable immediately by the Assured.

DROP SHIPMENTS

This Policy is extended to cover shipments where the Assured has an insurable interest and arranges for shipment, but may never take actual title to or possession of the goods and/or merchandise.

CONSOLIDATION AND PACKAGING

It is hereby understood and agreed that notwithstanding anything contained elsewhere herein to the contrary (particularly the Warehouse to Warehouse and Marine Extension clauses), the insurance provided hereunder shall cover property while on the premises of the Assured, freight forwarders, consolidators, truckers, warehousemen or others for the purpose of consolidation, deconsolidation, containerization, decontainerization, distribution, redistribution or otherwise anywhere in the world whether prior to loading and/or after discharge from overseas vessel or at any transshipment point for a period not exceeding thirty (30) days after arrival at such premises. The Assured's interest being at all times admitted regardless of terms of purchase and/or sale. Held covered in the event of delay in excess of the above time limit at additional premium if required, provided Assured gives notice of such delay as soon as practicable.

CONCEALED DAMAGE

In the event of delay in opening cases, packages, rates, containers, etc. any loss or damage discovered in opening within sixty (60) days after arrival at final destination shall be deemed to have occurred in transit and shall be paid for accordingly unless proof conclusive to the contrary be established. It is a condition of this insurance that where original shipping packages arrive at the final destination in a visibly damaged condition, they shall be opened immediately and the contents inspected. Violation of this condition shall void the insurance provided by this clause.

NON-DELIVERY

In the event the goods and/or merchandise are overdue and unaccounted for, for a period of thirty (30) days, this Company will consider said shipment, in whole or in part, a recoverable loss under this Policy.

SHORTAGE FROM CONTAINERS

With respect to shipments in containers, and provided there is documentary evidence to substantiate the quantity loaded into the container, the fact that the container's seal is intact at unloading shall not invalidate claims of theft, pilferage, shortage and/or non-delivery.

FRAUDULENT DOCUMENTS

This insurance also covers direct physical loss or damage to the property insured through the unknowing acceptance by the Assured and/or their Agents and/or Shippers of fraudulent shipping documents, including but not limited to bills of lading, shipping receipts, messenger receipts or warehousemen's receipts. Also to cover physical loss or damage to property insured through the utilization of legitimate shipping documents without the authorization and/or consent of the Assured and/or their Agents and/or Shippers.

CONTAINER DEMURRAGE CHARGES

If the Assured is instructed by this Company or its Agents or Surveyors, to hold an intermodal container, van, flat rack or trailer, and if the Assured is assessed a late penalty and/or demurrage charge for holding said equipment past the return date, this Company will pay the late penalties and/or demurrage charges. The amount this Company will pay shall be the charges assessed from the time the Assured is directed to hold said equipment until the time the Assured is informed that the equipment can be released. Coverage under this clause is separate from and in addition to the limits of liability provided elsewhere herein.

The Company shall not be liable for any demurrage charges which may be assessed against the Assured caused by strike, lockout, stoppings or restraint of labor for Master, Offices and crew of the vessel or tugboat or pilots.

INSUFFICIENCY OF PACKING

In the event of a claim being made for loss or damage which is alleged to be caused by insufficiency or unsuitability of packing or preparation of the subject matter insured, underwriters hereby agree that they will not use such alleged insufficiency or unsuitability as a defense against the claim in any cases where the packing or preparation was carried out by a party other than the named Assured and the insufficiency or unsuitability arose entirely without the named Assured's privity or knowledge. For the purpose of this clause "packing" shall be deemed to include storage in a container or liftvan.

The Assured agrees to assist underwriters in all respects to pursue rights of recovery against seller and/or other responsible third parties.

The above agreement is not to interfere with rights of subrogation against packers' insurers.

RIGHT OF FIRST REFUSAL

In the event of damage to goods and/or merchandise covered under this Policy and said goods and/or merchandise are to be sold as salvage, the Assured shall have the right of first acceptance of the damaged merchandise providing that their offer is fair and reasonable in the opinion of this Company.

NOTICE OF LOSS

The Assured shall report to this Company, or to the agents of this Company if there be one at or near the place where the loss occurs or the expenses are incurred, or if there be none in the vicinity, to the correspondent of the American Institute of Marine Underwriters, every loss or damage which may become a claim under this insurance as soon as may be practicable after it becomes known by the Assured's risk management department or equivalent. Failure to report loss or damage promptly shall invalidate any claim under this Policy.

PAYMENT OF LOSS

In case of loss, such loss to be paid in thirty (30) days after proof of loss, proof of interest, and adjustment thereof (the amount of the premium, if unpaid, and all sums due to the Company from the Assured when such loss becomes due being first deducted, and all sums coming due being first paid or secured to the satisfaction of this Company). Proof of loss to be authenticated by the Agent of this Company, if there be one where such proofs are taken; otherwise by a correspondent of the American Institute of Marine Underwriters, if there is one where such proofs are taken, but if neither is represented, then by some other recognized insurance authority.

COMPANY'S OPTION TO ADVANCE LOSS

This Company shall at its option have the right of advancing to the Assured the amount of the loss otherwise recoverable hereunder as a loan without interest pending a determination of Carrier's or Bailee's liability; the Company further agrees to bear all the expenses of any suit brought in the name of the Assured or of the owner of the insured merchandise, or otherwise to enforce the liability of the Carrier or Bailee. The repayment of the loan to the Company is conditional upon, and only to the extent of, any net recovery from the Carrier or Bailee received by the Assured or owner of the insured merchandise.

SUIT

No suit or action for the recovery of any claim arising under this Policy by virtue of this insurance shall be sustained in any Court of Law unless commenced within two (2) years from the date of loss, or if such limitation is not valid by the law of the place where the Policy is issued, within the shortest contractual period of limitation permitted by law.

DECLARATION OF RISKS/CERTIFICATES OF INSURANCE

Authority is hereby given the Assured and/or their duly authorized representatives to issue this Company's certificates and/or special policies and/or endorsements on any or all risks applying hereunder. Such certificates, special policies and endorsements are to be issued in accordance with the terms and conditions of this insurance and are not to be valid unless countersigned by a representative of the Assured. If the printed terms and/or conditions of this Company's certificates and/or special policies are less favorable to the Assured than the terms and/or conditions of this Policy the terms and conditions of this Policy shall prevail unless, in consideration of a rate adjustment, less favorable terms and/or conditions have been specifically agreed.

It is agreed that with respect to certificates of insurance issued with no deductible amount, underwriters hereby agree to pay the claim in full for loss or damage covered hereunder and the original Assured named herein agrees to reimburse the Assured for any Policy deductible amount so paid.

In the event certificates or special policies are not required, the Assured may report such risks by declaration.

The Assured agrees to forward copies of all certificates, special policies, endorsements and declarations of insurance to his Insurance Broker for transmittal to this Company. This insurance shall not be vitiated, however, by an unintentional delay, error, omission or oversight in making reports, provided the same be communicated to this Company as soon as known or discovered by the Assured's Corporate Risk Management Department or equivalent, and an additional premium paid, if required, or deficiency of premium made good.

OTHER INSURANCE

In case the interest hereby insured is covered by other insurance (except as hereinafter provided), the loss shall be collected from the several policies in the order of the date of their attachment, insurance attaching on the same date to be deemed simultaneous and to contribute pro rata; provided, however, that where any fire insurance, or any insurance (including fire) taken out by any Carrier or Bailee is available to the beneficiary of this Policy, or would be so available if this insurance did not exist, then this insurance shall be void to the extent that such other insurance is, or would have been, available.

It is agreed, nevertheless, that where this Company is thus relieved of liability because of the existence of other insurance, this Company shall receive and retain the premium payable under this Policy, and in consideration thereof, shall guarantee the solvency of the companies and/or underwriters who issued such other insurance and the prompt collection of the loss hereunder to the same extent (only) as this Company shall have been relieved of liability under the terms of this clause, but not exceeding, in any case, the amount which would have been collectible under this Policy if such other insurance did not exist.

BROKERS

It is a condition of this Policy, and it is agreed that the Assured's Brokers, or any substituted Brokers, shall be deemed to be exclusively the agents of the Assured and not of this Company in any and all matters relating to, connected with or affecting this insurance. Any notice given or mailed by or on behalf of this Company to the said Brokers in connection with or affecting this insurance or its cancellations, shall be deemed to have been delivered to the Assured.

CANCELLATION

This insurance is deemed to be continuous and to cover all shipments as provided herein until cancelled by either party giving the other thirty (30) days 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, however, the Company may effect immediate cancellation by giving written notice thereof at any time when premium have been due and unpaid for a period of sixty (60) days or more.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**DOMESTIC TRANSIT**

It is hereby understood and agreed that this Policy is further extended to provide coverage on Insured Goods while in transit within the contiguous 48 States and/or Canada subject to the terms and conditions as included below:

1. In consideration of the agreed premium this insurance is extended, subject to its terms and conditions also to cover while the property insured is in the custody of:
 - a. Any railroad, railway express company or common carrier by motor vehicle engaged in interstate or foreign commerce and connecting carriers, including any property while on board any certified air carrier;
 - b. Other public truckmen and land transportation companies; it being warranted by the Assured they will not enter into any agreement, or accept or cause to be accepted, any receipt or bill of lading under which any of their rights to recover the full value of the amount of damage to any property lost or damaged and insured hereunder against any such carriers or party liable therefore are released, impaired or lost.
2. This Policy does not insure against loss or damage caused by or resulting from nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this Policy; however, subject to the foregoing and all provisions of the Policy, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is insured against by this Policy.
3. Attaching from the time property leaves factory, store, or warehouse at initial point of shipment and covering continuously thereafter while in ordinary course of transit, until delivered at factory, store, or warehouse at destination within the continental limits of the United States and/or Canada.
4. This Company shall not be liable under this endorsement for more than \$ 500,000 in any one loss or disaster, either in case of partial or total loss, or salvage charges, or any other charges, or expense, or all combined.
5. Property insured under the terms of this endorsement to be valued at as declared.
6. The insuring conditions provided hereon are for all risks of physical loss or damage from any external cause irrespective of percentage, excluding the risks excepted by the F.C. & S. (Free of Capture & Seizure) Warranty and the S.R. & C.C. (Strikes, Riots, and Civil Commotions) Warranty incorporated herein, excluding however, those risks of an inherent nature or for inventory shortages or mysterious disappearance. Claims, if any hereunder, are subject to a deductible of \$ 1%, min \$500 any one occurrence.
7. Other insurance permitted without notice until required, and it is agreed that, in event of there being specific or other insurance, whether prior or subsequent hereto in date and by whomever effected, directly or indirectly covering the property insured hereunder, then such other insurance shall first apply and this Policy shall not be considered as contributing with such other insurance, but shall pay only the difference between the amount recoverable under such other insurance and the amount of any loss recovered hereunder, not exceeding the limit of liability stated herein.
8. The Assured shall report as soon as practicable to this Company or its agent, every loss or damage which may become a claim under this endorsement, and shall also file with this Company or its agent a detailed sworn proof of loss within ninety (90) days from the time the loss becomes known to the Assured.
9. The Assured warrants to keep an accurate record of all shipments insured hereunder, which record shall be open for inspection of duly authorized representative of this Company at all reasonable times.

10. If reporting all shipments is agreed to between this Company and the Assured at inception, this endorsement is issued in consideration that all shipments shall be reported monthly, and adjusted at a rate of \$ varies per \$100 of insured values. Premiums so developed shall be charged against the deposit of \$ included until such time as this shall be exhausted, after which premiums shall be billed and payable monthly in accordance with the terms of this endorsement.

If reporting all shipments is not required, this endorsement is issued in consideration of a premium of \$ N/A.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AIMU
S.R. & C.C. ENDORSEMENT
(Form No. 11)

THIS INSURANCE ALSO COVERS:

- (1)** Physical loss of or damage to property 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 property insured directly caused by vandalism, sabotage or malicious acts; and,
- (3)** Physical loss of or damage to the property 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 **(3)** be not excluded by the F.C. & S. Warranty in the Policy to which this endorsement is attached. Notwithstanding the foregoing, coverage under this Subsection **(3)** is conditional upon the property insured being in the ordinary course of transit and, in any event, **shall terminate**:
 - (a)** As per the Warehouse to Warehouse clause, Marine Extension clause, sixty (60) day South American 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 sixty (60) days after completion of discharge overside of the property insured from the vessel at the port of discharge; *or*,
 - (e)** In respect of air transits, on the expiry of thirty (30) days after unloading the property insured from the aircraft at the place of discharge;

whichever shall first occur.

While the property 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 property 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 property is 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:

- (a)** Change in temperature or humidity;
- (b)** The absence, shortage, or withholding of power, fuel, or labor of any description whatsoever during any strike, lockout, labor disturbance, riot or civil commotion;

- (c) Loss of market or loss, damage or deterioration arising from delay;
- (d) Hostilities, warlike operations, 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,
- (e) Nuclear reaction, radiation or radioactive contamination.

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

This endorsement may be canceled by either party upon forty-eight (48) hours written, telegraphic or telefaxed notice to the other party, but such cancellation shall not affect any risks which have already attached hereunder.

Effective with respect to shipments made on or after 12/26/2007.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMODITIES LIST

Advertising materials		Building supplies, pre-fabricated	
Agricultural hand tools		Bulbs, electric	Referral
Agricultural machinery, tractors		Bulk shipments	Referral
Air conditioning equipment parts		Cable (on reels)	
Airplanes, helicopters (boxed)		Cameras	
Aluminum articles - general		Candy , confections, chewing gum	Referral
Aluminum foil		Carnival rides	
Aluminum plates, sheet, coil, ingots		Carpets, textile floor coverings, rugs	Referral
Anchors (marine)		Cassette tapes - audio and video	
Animal or vegetable fats, oils - general		Cast iron pipe, stoves	Referral
Antiques valued in excess of \$50,000	Referral	Cell phones	Referral
Apparel articles & accessories		Cellulose film and products	
Appliances, small household electric		Cement (in bags)	Referral
Art, antiques valued in excess of \$50,000	Referral	Ceramic products	Referral
Artificial flowers		Cereals, grains - general	
Artificial limbs		Cereals, packaged	
Artists supplies		Chain (iron and steel)	
Asbestos products		Chemical products, misc. packaged	
Asphalt products (in wooden crates, drums)		Chinaware	Referral
Auto parts and accessories		Chocolate candy	Referral
Automobiles	Sp.conds	Christmas ornaments, artificial trees, party favors	
Baby carriages		Cigarette lighters and similar	
Bags (empty)		Clocks, watches - general	Referral
Bank notes, securities	Referral	Coal (in bulk)	Referral
Barometers		Cocoa preparations	
Basket ware, wicker, straw products		Coffee, tea, spices	
Bath tubs, sinks and lavatory equipment	Referral	Combs, hair curlers	
Batteries (dry cell)		Computer chips, intergrated circuits	Referral
Beer	Referral	Computer software	
Beverages - not otherwise classified		Computers, parts and accessories	Referral
Bicycles		Copper articles - not otherwise classified	
Binoculars		Copper pipe	Sp.Conds
Blades, razor		Cork	
Blankets		Cosmetics	
Boats, yachts	Referral	Cranes, cement mixers, fire trucks	Sp.Conds
Boilers (excl. cast iron)		Crude oil (in bulk)	Referral
Bolts and nuts		Currency	Referral
Books and printed matter		Cutlery	
Bottles, glass (empty)	Referral	Cylinders, gas (empty)	
Brassware		Dairy products	Referral
Brooms, brushes, toothbrushes			

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Dental equipment & supplies		Freezers	
Dictation machines		Fruit, fresh	Referral
Diesel engines		Fur, Articles of fur	Referral
Dishwashing machines		Furniture - general - not otherwise classified	
Dolls		Furniture: metal, wood, plastic	
Donated food, clothing, medicine for charity, relief aid	Referral	Game machines (excluding video)	
Drug sundries		Games (excluding video)	
Drums, metal (empty)		Gasoline engines	
Dryers		Gems and stones: precious and semi-precious	Referral
Dyes (not bagged)		Generators (home & farm)	
Dyes, inks, paints - general		Glassware - not otherwise classified	Referral
Earthenware	Referral	Glassware and crystal	Referral
Eggs in shell	Referral	Gloves	
Eggs, powdered		Glue	
Electric hand tools		Glue, enzymes - general	
Electric machinery - not otherwise classified		Granite, marble	Referral
Engraving equipment		Grease	
Exercise equipment; outdoor sports equipment		Hand printing sets, hand stamps	
Fabric, yarns - general (excl. textiles)		Hand tools	
Fabrics, articles of fabric - not otherwise classified		Hardware	
Fasteners, buttons		Harness & saddlery goods	
Feathers, down - general		Hats - general	
Fences		Hazardous, dangerous material	Referral
Fertilizers - not otherwise classified		Hearing aids	
Fertilizers, dry bulk	Referral	Hoses	
Fertilizers, liquid bulk	Referral	Hosiery	
Fertilizers, bagged	Referral	Hospital supplies (excl. glass)	
Film (unexposed)		Household goods & personal effects	Sp.conds
Fine arts	Referral	Incubators	
Fire extinguishers		Ink	
Fish, canned		Insecticides (not bagged)	
Fish, refrigerated/frozen	Referral	Instruments, optical, surgical	
Fishing equipment (for sport)		Insulating materials	
Fishmeal	Referral	Iron, steel articles, like pipe, sheet, plate, etc.	Referral
Flags		Irrigation equipment	
Flammables and explosives	Referral	Jewelry of value (gold, silver, etc.)	Referral
Flasks		Juice	
Floor coverings			
Food products (non-perishable)			
Footwear			

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Lamps and lighting fixtures (excl. glass)		Nuts, bolts, screws	
Laptop computers	Referral	Nuts, edible, packaged	
Lead articles - general		Office machines	
Leather apparel		Oil field equipment	
Leather luggage, trunks, briefcases		Oil refinery equipment	
Leathers, finished		Oil, in tins, cases, drums (chemical based)	
Light machinery		Oil, in tins, cases, drums (vegetable based)	
Linens (table, bath, bed)		Optical goods, eyeglasses	
Live animals	Referral	Ores, ash in bulk	Referral
Live plants, trees, cut flowers	Referral	OTC medicines	
LNG	Referral	Outboard motors	
Lubricants (in cases, drums)		Ovens (household)	
Lumber		Paintings, drawing, pastels in excess of \$50,000	Referral
Machine parts		Paints	
Machinery, New		Paper in rolls	Referral
Machinery, Used	Sp. conds	Paper and printer matter (excl. paper rolls)	
Maps, plans, manuscripts		Paper and wood waste - general	FPA only
Marble, granite slabs, statues, table tops, etc.	Referral	Paper mill equipment	
Mattresses, pillows, cushions		Pencils, crayons	
Meat, edible meat: refrigerated/frozen	Referral	Pens	
Meats, canned		Perfumes	Referral
Medical, dental, surgical furniture		Personal accessories - not otherwise classified	
Metal articles - not otherwise classified		Pet accessories	
Metals (base) - not otherwise classified		Pet food (packaged)	
Metal, Scrap	FPA only	Petroleum jelly (packaged)	
Meters		Pharmaceuticals, drugs	Referral
Milled Products (flour, starches, gluten)		Phonographs, stereo sets	
Mineral fuels	Referral	Photographic paper and supplies	
Mirrors	Referral	Picture frames	
Misc. manufactured articles		Pipes for smoking	
Motorcycles (boxed), mopeds		Plastic goods	
Motors, electric		Plastics - general/not otherwise classified	
Motor vehicles: antique or customized	Sp. Conds	Playground equipment	
Motorized vehicles: golf carts, jet skis, snow mobiles, etc		Plumbing supplies and tools	
Mowers, lawn		Plywood	
Musical instruments (excl. pianos)		Poly. Resins	
Needles, sewing, knitting, notions		Pool tables	
Netting, fish		Porcelain	Referral
Newsprint and kraft paper in rolls	Referral		
Nickel articles - general			

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Pots, pans		Spirits	Referral
Precious, semi-precious stones or metals	Referral	Sporting equipment - general	
Prepared cereals packaged		Stamps	Referral
Prepared foods (not otherwise classified)		Steam engines	
Prepared fruits, vegetables, nuts - packaged		Steel header wire	
Printed matter - not otherwise classified		Steel plate, sheet, coils, pipe	Referral
Pumps (industrial)		Stone articles - general	
PVC pipe		Stone artifacts	Referral
Pyrotechnics	Referral	Sugar (bagged)	Referral
Radio parts (excl. glass tubes)		Sugars - general	
Radios, TVs, tape players, recorders		Surgical dressings	
Rags	FPA only	Surgical supplies	
Railway equipment, parts		Tapestries (not antiques)	
Rattan, bamboo materials - & general		Tarpaulins	
Refrigerated, frozen commodities	Sp. Conds	Telephones (excl. cell)	
Refrigeration equipment		Textile art, needlecraft sets, worn art	
Rice in bulk	Referral	Textiles - general	
Road building equipment		Thread, sewing	
Rock crushers		Tile (ceramic)	Referral
Rope and cordage		Tile (non-ceramic, non-marble)	
Rope, twine - general		Tin articles - general	
Rubber articles - not otherwise classified		Tin plate	
Rubber products		Tires	
Rugs	Referral	Tobacco, smoking supplies, cigarettes	Referral
Safes		Tools, hand, non-powered	
Salt, sulfur, earth, stone, lime in bulk	Referral	Tools, small, powered	
Saw mill machinery		Toys	
Scrap metal	FPA only	Tractor supplies and parts	
Scuba apparatus		Transformers	
Seeds - General (fruit, vegetable, flower)		Tubes of glass	Referral
Sewing machines		Tubes, for tires	
Shingles, asphalt		Umbrellas	
Shingles, wooden		Used goods, machinery	Sp. Conds
Shoes, slippers - not otherwise classified		Vats (excl. cast iron)	
Smokers supplies		Vegetable saps & extracts - general	
Snowmobiles, ATVs, golf carts, similar New		Vegetables, canned	
Soap products		Vegetables, fresh edible	Sp. Conds
Soaps, waxes, polishes - not otherwise classified		Vehicles - not otherwise classified	Referral
Sonar equipment			
Spices, packaged			

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Video games	
Vitamins, OTC medicines	
Wall paper	
Waste paper newsprint/paper waste	FPA only
Watches	Referral
Water heaters	
Welding supplies	
Wheeled toys	
Wicks	
Wigs, toupees	
Winches	
Wines	Referral
Wire	
Wire, barbed	
Wood articles - not otherwise classified	
Yeast, dry	
Zinc articles - general	

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL INSURING CONDITIONS

Household goods & personal effects professionally packed are insured as per "all risks" clause on the Declaration page of this policy, subject however to the following terms and conditions:

Warranted: Itemized valued inventory of all goods to be moved. (100% coinsurance to apply)

Warranted: Professionally packed

Subject to a deductible of 3%, minimum of \$250.

Household goods & personal effects NOT professionally packed are insured subject to the following terms and conditions: Warranted free from average, unless general, or the vessel or craft be stranded, sunk, or burned; also for any loss or damage to the interest insured which may be reasonably attributable to fire, explosion, collision, or contact of the vessel and/or craft with any external substance (ice included) other than water, or to discharge of cargo at a port in distress. Also to cover loss or damage due to non-delivery, fresh and salt water damage, and breakage caused by heavy weather.

Used Automobiles, Boats, Construction Equipment, Machinery, Mobile Homes are insured as per the "all risks" clause on the Declaration page of this policy, subject however to the following terms and conditions:

Excluding rust, oxidation, discoloration, wetting, staining, denting, scratching, and/or chipping.

Excluding mechanical or electrical or electromagnetic derangement unless caused by a peril insured against.

No coverage while vehicle is under its own power, except during loading and off-loading.

Classic and antique and/or specialized cars are subject to recent invoice or third party appraisal.

Subject to a deductible of 1% or the insured value, minimum of \$500.

Shipments to Africa: Coverage ceases after discharge from vessel or craft.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

WAR RISK POLICY

THIS POLICY OF INSURANCE WITNESSETH, that in consideration of premiums included, the Company does make insurance and cause Carex Shipping LLC to be insured, lost or not lost, for account of whom it may concern, against war risks only, in accordance with the terms and conditions hereinafter set forth.

To apply to shipments made on or after 12/26/2007.

Underwriters shall not be liable hereunder for more than the applicable limit set forth in the marine Policy.

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

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

This Policy shall cover only those shipments which are insured against marine risks under Policy No. CAR0500061 of the Company, it being agreed that the description of such shipments, the valuations thereof, the voyage, the designation of the overseas vessel (which shall be construed to include aircraft if included under the marine Policy) on which the goods are to be carried and the ports and/or places of loading and discharge, as reported under the said Policy against marine risks, shall be deemed incorporated herein. Notwithstanding the foregoing, this Policy shall not cover purely domestic shipments by air between points in the United States of America (excluding Alaska and Hawaii).

Any loss payable hereunder shall be payable in funds current in the United States, to the order of Assured or order thirty (30) days after full proofs of loss and proofs of interest have been filed with the Company.

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

3. This insurance does not cover any loss, damage or expense directly or indirectly arising from, contributed to, or caused by any of the following, whether due to a peril insured against or otherwise:
- a. Commandeering, preemption, requisition, or nationalization by the government (defacto or otherwise) of the country to or from which the goods are insured.
 - b. Seizure or destruction under quarantine, environmental or customs regulations.
 - c. Delay, deterioration and/or loss of market.
 - d. Nuclear reaction, radiation, or radioactive contamination, regardless of how it was caused.
4. a. This insurance against the risks enumerated in Clause 1., except the risks of floating or stationary mines and stray or derelict torpedoes, floating or submerged referred to in b. below, shall not attach to the interest hereby insured or to any part thereof:
- (1) Prior to being on board an overseas vessel (for the purpose of this Clause 4. an overseas vessel shall be deemed to mean a vessel carrying the interest from one port or place to another where such voyage involves a sea passage by that vessel);
 - (2) After being discharged overside from an overseas vessel at the intended port or place of discharge,

or

After the expiry of fifteen (15) days from midnight of the day of arrival of the overseas vessel at the intended port or place of discharge, whichever shall first occur;
 - (3) After expiry of fifteen (15) days from midnight of the day of arrival of the overseas vessel at an intermediate port or place to discharge the interest for on-carriage from that or any other port or place by another overseas vessel, but shall reattach as the interest is loaded on the on-carrying overseas vessel. During the said period of fifteen (15) days the insurance remains in force whether the interest is awaiting transit or in transit between the overseas vessels;
 - (4) For the purpose of this Clause 4. arrival at the intended port or place of discharge shall be deemed to mean that time when the overseas vessel first berths, anchors, moors or is secured in an area subject to regulation by the authorities of such port or place.
- b. The insurance against the risks of floating or stationary mines and stray or derelict torpedoes, floating or submerged, attaches as the interest hereby insured is first loaded on a lighter, craft or vessel after leaving the warehouse at point of shipment in transit for the destination declared hereunder and ceases to attach as the interest is finally landed from the vessel, craft or lighter prior to delivery to warehouse at such destination.
 - c. If the contract of affreightment is terminated at a port or place other than the destination named therein such port or place shall be deemed the intended port or place of discharge for the purpose of this Clause 4.
 - d. Shipments by mail, if covered by this Policy are insured continuously from the time of leaving the sender's premises until delivered to the place of address.
 - e. Shipments by air (other than air mail) if covered by this Policy are insured subject to the same terms and conditions as shipments by overseas vessel.
 - f. It is a condition of this insurance that the Assured shall act with reasonable dispatch in all circumstances within their control.
 - g. If anything contained in this Policy shall be inconsistent with this Clause 4. it shall to the extent of such inconsistency be null and void.

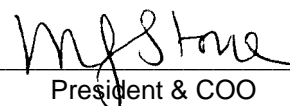
5. This insurance shall not be vitiated by deviation, overcarriage, change of voyage, or by any error or unintentional omission in the description of interest, vessel or voyage provided the same be communicated to the Company as soon as known to the Assured and an additional premium paid if required.
6. And in case of any loss or misfortune, it shall be lawful and necessary to and for the Assured, his or their factors, servants and assigns, to sue, labor and travel for, in and about the defense, safeguard and recovery of the said goods, and merchandises, or any part thereof, without prejudice to this insurance; nor shall the acts of the Assured or Company, in recovering, saving and preserving the property insured, in case of disaster, be considered a waiver or an acceptance of an abandonment; and to the charges whereof, the said Company will contribute according to the rate and quantity of the sum hereby insured.
7. General Average and Salvage Charges payable according to United States laws and usage and/or as per Foreign Statement and/or as per York-Antwerp Rules (as prescribed in whole or in part) if in accordance with the Contract of Affreightment.
8. It is agreed that the reports of shipments made under the Policy against marine risks mentioned above shall be deemed to be reports under this Policy also, and the Assured agrees to pay premium on all shipments insured under this Policy at the war risk rates of this Company as fixed from time to time.
9. No claim shall be payable hereunder which arises from collision, contact with any fixed or floating object (other than a mine or torpedo), stranding, heavy weather or fire unless caused directly (and independently of the nature of the voyage or service which the vessel concerned, or in the case of a collision, any other vessel involved therein, is performing) by a hostile act by or against a belligerent power; and for the purpose of this paragraph "power" includes any authority maintaining naval, military or air forces in association with a power.
10. No recovery for a Constructive Total Loss shall be had hereunder unless the property insured is reasonably abandoned on account of its actual total loss appearing to be unavoidable, or because it cannot be preserved from actual total loss without an expenditure which would exceed its value if the expenditure had been incurred.
11. It is agreed that this Policy is a separate and wholly independent contract and is not subject to any terms or conditions of the Policy against marine risks above mentioned (whether physically attached thereto or not) except as such terms or conditions shall have been expressly incorporated herein by reference.
12. This insurance may be canceled by either party upon forty-eight (48) hours written, telegraphic, or telefaxed notice to the other party, but such cancellation shall not affect any shipment on which this insurance has attached under the terms of Clause 4. hereof but for which, prior to the effective date of such notice. Shipments on which insurance has not so attached but for which, prior to the effective date of such notice, bills of lading have been issued and (in the case of exports) Certificates or Special Policies have been issued and negotiated, shall be covered from the time of loading on the overseas vessel, as provided in Clause 4., at the rates of this Company, provided that, prior to said effective date, such shipments were at the risks of the Assured and were covered under this Policy against marine risks.

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

Any provision required by law to be stated in policies issued by a subscriber hereto, shall be deemed to have been stated herein.

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.


Corporate Secretary


President & COO