



## DECLARATIONS

<b>NAME OF INSURED (and/or subsidiary companies)</b>	Crowley Puerto Rico Services, Inc., Crowley Holdings, Inc., Crowley Maritime Corporation et al 9487 Regency Square Blvd. Jacksonville, FL 32225  or for whom they have instructions to insure
<b>POLICY NUMBER</b>	OC247798
<b>ATTACHMENT DATE AND CANCELLATION PERIOD OF INSURANCE</b>	This insurance attaches to shipments made on or after February 15, 2015 to November 1, 2016 12:01AM standard time at place of policy issuance and remains in force until cancelled by either party on thirty (30) days prior written notice to the other or unless the insurance is otherwise voided prior thereto by reason of breach of warranty, misrepresentation or concealment. The Company may effect cancellation by giving written notice thereof at any time when the premium(s) have been due and unpaid for a period of ten (10) days or more. In any such event, cancellation hereunder shall not affect any transit risk on which this insurance has attached prior to the effective date of such cancellation or voidance, but all risks insured on a time and location basis shall terminate as of the effective date of the cancellation or voidance.
<b>SHIPMENTS INSURED</b>	All lawful shipments of new and used goods and/or merchandise which the assured has agreed to provide direct cargo insurance
<b>LIMIT OF LIABILITY</b>	This Company shall not be liable under this insurance for more than:  \$10,000,000 in respect of shipments by any one vessel and connecting conveyances  Not Covered in respect of shipments by any one aircraft and connecting conveyances  Not Covered in respect of any one package shipped by mail or private delivery service  \$10,000,000 in respect of merchandise aboard any one barge or any one tow as a principal Conveyance \$50,000 Maximum per any one container, unless additional excess coverage is purchased  \$250,000 Per any one truck (Foreign Inland Transit)  Unless otherwise declared to and agreed by Underwriter prior to known loss, accident, or arrival.
<b>VALUATION</b>	The goods insured under this policy are valued at:  Amount of invoice (including all charges in the invoice), plus any prepaid and/or advance and/or guaranteed freight not included in the invoice, plus 10% of the sum of the foregoing items, unless otherwise provided by endorsement hereto or \$50,000 per container, whichever is less. For shipments valued above \$50,000, additional insurance is available as agreed prior to shipment.  Automobiles, motorcycles, or boats: In the absence of a commercial invoice or bill of sale, valuation is based on the fair market value of the automobile, motorcycle or boat at the time of shipping, as determined by a reputable third party valuation company  Household Goods and Personal Effects: Valuation of each household good or personal effect item is based on actual cash value of the items, at the time of shipping. Actual Cash Value is defined as the cost to replace the lost or damaged item with other property of like kind and quality  Foreign currency to be converted into U.S. Dollars at Bankers' sight rate of exchange applicable to each invoice and/or credit and/or draft.





	<p>*If values shipped per container are \$1,000,000 or more (which does require prior underwriter approval), a survey of the goods will be required (<i>at insureds expense</i>).</p> <p><u>*If values shipped per container are \$250,000 or more, underwriter approval must be obtained prior to shipment</u></p> <p>The above rates are inclusive of War, Strikes, Riots &amp; Civil Commotions</p>
<b>ADDITIONAL COVERAGE</b>	<b>Foreign Inland Transit</b> Limit any one truck or truck/trailer or rail car conveyance: \$250,000
<b>PREMIUM AND REPORTING</b>	As agreed  Declarations to be submitted Quarterly (Primary and Excess Coverages)





## MARINE OPEN CARGO POLICY



**Policy Number**  
**OC 247798**

**Issued by**  
**The Continental Insurance Company**

**Issued to**  
**Crowley Puerto Rico Services, Inc, Crowley Holdings, Inc., Crowley Maritime Corporation et al**  
**9487 Regency Square Boulevard**  
**Jacksonville, Florida 32225**

**Producer**  
**JOHN L. WORTHAM & SON LP**  
**2727 Allen Parkway**  
**Houston, TX 77019**



Thank you for choosing to purchase this Cargo Policy from CNA. The Continental Insurance Company has been a leader in the field of cargo insurance in the US since 1864, and is part of CNA Financial Corporation, one of the largest commercial insurers in several countries around the world. With this global reach, combined with local representation, we pride ourselves in offering one of the broadest and most comprehensive cargo policies available.

If you wish to submit a claim, please see Section C for details of our specialist marine claims adjusting operation, or refer to [www.cnacargo.com](http://www.cnacargo.com) for details of claim survey agents around the world.

Thank you for your partnership.

Signed:

A handwritten signature in black ink, appearing to read "Mark Bernas", with a stylized flourish at the end.

**Mark Bernas**

**AVP, OCEAN CARGO**



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## 1. Insurer and Assured

### **THE CONTINENTAL INSURANCE COMPANY**

(herein after referred to as the "Company")

in consideration of payment of the premium due at the rate or rates hereinafter stated, does insure

**Crowley Puerto Rico Services, Inc., Crowley Holdings, Inc., Crowley Maritime Corporation et al**  
(herein after referred to as the "Assured") or for whom they have instructions to insure

subject to all the terms, conditions, exceptions and warranties hereinafter set forth.

For account of whom it may concern.

## 2. Assignment

This policy shall be void if assigned or transferred without the prior written consent of the Company.

## 3. Loss Payee

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

## 4. Shipments Insured

For lawful shipments of new goods and merchandise consisting principally of: As per Declarations

(a) made by the Assured, their own property or the property of others which they may be instructed to insure, such instructions to be given in writing prior to shipment, and before any known or reported loss or accident but excluding shipments sold C. & F. (Cost and Freight) terms, or other terms which exclude marine insurance; and/or

(b) coming consigned to the Assured, or to others for account of the Assured; also to cover all shipments coming consigned to others which the Assured may be instructed to insure, such instructions to be given in writing prior to shipment, and before any known or reported loss or accident but excluding such shipments as are bought on C.I.F. (Cost, Insurance & Freight) terms, or other terms which include marine insurance.

## 5. Conveyances

Per steamer and/or steamers and/or motor vessels and/or barges and/or land or air conveyances and all connecting conveyances including shipments by mail and/or parcel post; excluding sailing vessels with or without auxiliary power except as connecting conveyances.



## 6. Valuation

Insured shipments are valued: **As per Declarations**

## 7. Geographical Limits

To be insured: **As per Declarations**

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

Whenever coverage afforded under 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 automatically null and void ab initio.

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 automatically null and void ab initio.

## 9. Export Control Condition

It is a condition of this insurance that the Assured comply fully with all applicable laws and regulations, including but not limited to the export control laws and regulations of the United States to the extent that such laws apply to the sale and / or purchase of the goods herein declared for purpose of insurance.

## 10. Craft

Including transit by craft and/or lighter to and from the vessel. Each craft and/or lighter to be deemed a separate insurance. The Assured is not to be prejudiced by any agreement exempting lightermen from liability.

## 11. Limit of Liability

\*This Company shall not be liable under this insurance for more than: **As per Declarations**

When this policy is to cover shipments by barge as principal conveyance, it is warranted that a surveyor appointed or approved by the Company shall approve the barge, tug, tow, towing arrangements, weather, loading and stowage, prior to commencement of the voyage, **unless** such barge is operating as a common carrier on a regular scheduled trading route.

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



## 12. Accumulation

Should there be an accumulation of interests beyond the Company's limits of liability as set forth in this policy by reason of any interruption of transit beyond the control of the Assured, or by reason of any casualty or at a transshipping point or on a connecting steamer or conveyance, this policy shall attach for the full amount at risk (but in no event for more than twice the policy's limit of liability applicable to any one vessel) provided written notice be given to the Company as soon as such accumulation is known to the Assured.

## 13. Perils

Touching the adventures and perils this Company is contented to bear, and takes upon itself, they are: of the seas, fire, assailing thieves, jettisons, barratry of the master and mariners, and all other like perils, losses and misfortunes, (illicit or contraband trade excepted in all cases) that have come to the hurt, detriment, or damage of the said goods and merchandise or any part thereof.

## 14. F.P.A.

Warranted free from 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 hereon or in the certificate or policy to which these clauses are attached.

## 15. General Average

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. General Average Contributions, Salvage and special charges will be payable in full, irrespective of insured and contributory values, not to exceed the Company's limits of liability as set forth herein.

## 16. Insuring Conditions

Goods and merchandise insured as follows:

- (a) Except as specified below, all new goods and/or merchandise are insured against All Risks of physical loss or physical damages from any external cause irrespective of percentage, but excluding those risks shown in the Paramount Warranties herein and any other warranties, exclusions and /or limitations as may appear, excepting to the extent that such risks are specifically covered by endorsement.

Each claim for loss or damage shall be adjusted separately and from the amount of the claim, as adjusted, the sum of: **As per Declarations**, shall be deducted, except that this deductible shall not apply following total loss of vessel, General Average and/or Salvage Charges.



NOTE: In consideration of payment of premium at rates as may be agreed, goods and/or merchandise shipped in containers and/or vans and/or lighters aboard ships are insured subject to the provisions of this policy applying to under deck shipments even though stowed on deck, provided such shipments are carried under an "optional" Bill of Lading permitting the carrier to stow containers, vans or lighters under deck or on deck. Furthermore, coverage afforded under this clause shall include loss physical of or physical damage to goods in containers, vans or lighters jettisoned or lost overboard.

(b) ON DECK shipments and subject to an ON DECK Bill of Lading which must be declared by the Assured, are insured subject to F.P.A Conditions.

**Applicable to both (a) and (b) above:**

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

Warranted by the Assured that all mail and parcel post shipments shall comply strictly with the Postal regulations of the Countries to and from which they are mailed or may travel.

Unless modified or superseded elsewhere herein or endorsed hereon, this policy does not insure against physical loss or physical damage or expense attributable to or caused by;

1. ordinary leakage, ordinary loss in weight or volume or ordinary wear and tear;
2. willful misconduct of the Assured;
3. inherent vice or nature of the insured property;
4. insufficiency or unsuitability of packing or preparation of the insured shipments for the intended voyage when performed by the named Assured; and/or
5. loss of market, or for damage or deterioration arising from delay whether caused by a peril insured against in this Policy or otherwise.

## **17. Landing/Warehousing**

Subject to the terms and conditions of this policy, including any endorsements the Company agrees to pay landing, warehousing, forwarding or other expenses and/or particular charges should same be incurred, as a result of a covered peril, as well as any partial physical loss or physical damage arising from transshipment. The Company also agrees to pay the insured value of any package, piece or unit totally lost in loading, transshipment, and/or discharge.



## **18. Shore Perils**

Where this insurance by its terms covers while on docks, wharves or elsewhere on shore, and/or during land transportation, it shall include the risks of collision, derailment, overturning or other accident of the carrying conveyance, fire, lightning, sprinkler leakage, cyclones, hurricanes, earthquakes, floods (meaning the rising of navigable waters), and/or collapse or subsidence of docks or wharves, even though the insurance be otherwise F.P.A.

## **19. Explosion**

This insurance includes the risk of explosion, howsoever or wheresoever occurring while the insurance afforded under this policy remains in effect, unless excluded by the F.C. & S. Warranty or the S.R. & C.C. Warranty set forth herein or unless proximately caused by the inherent vice or nature of the subject matter insured.

## **20. Inchmaree**

This insurance is also specially to cover any physical loss of or physical damage to the interest insured hereunder, through the bursting of boilers, breakage of shafts through any latent defect in the machinery, hull or appurtenances, or from faults or errors in the navigation and/or management of the vessel by the master, mariners, mates, engineers or pilots.

## **21. Machinery**

When the property insured under this policy includes a machine or article consisting when complete for sale or use of several parts, then in case of loss or damage covered by this insurance to any part of such machine or article, the Company shall be liable only for the proportion of the insured value of the part lost or damaged, or at the Assured's option, for the cost and expense, including labor and forwarding charges, of replacing or repairing the lost or damaged part; but in no event shall the Company be liable for more than the insured value of the complete machine or article.

## **22. Labels**

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



## **23. Brands**

In the event of loss or damage to property insured bearing a brand or trademark, the sale of which in any way carries or implies a guarantee, the salvage value of such damaged property shall be determined after removal of all brands and any 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 impractical to destroy all evidence of the Assured's connections therewith, the Company agrees to consult with the Assured with respect to the disposition of said merchandise and/or containers.

## **24. Carton Damage**

Loss or damage to cardboard shipping cartons occurring during the coverage provided by this policy will be payable hereunder.

## **25. Control of Damaged Goods**

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

## **26. 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 goods and/or merchandise providing that their offer is fair and reasonable in the opinion of this Company.

## **27. Pairs and Sets**

Physical loss of or physical 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.

## **28. Consequential Reduction in Value**

In the event of a partial loss occurring hereunder, which cannot be repaired to the original preshipment condition, this policy will respond for the reduction in value due to the loss of the original manufacturer's warranty.

In no event shall this Company be liable for more than the insured value of the goods and/or merchandise damaged.



## 29. Duty

This insurance also covers, subject to policy terms of average, the risk of partial physical loss by reason of perils insured against on the duties imposed on goods imported into the United States and insured hereunder, it being understood and agreed, however, that when the risk upon the goods continues beyond the time of landing from the overseas vessel, the increased value, consequent upon the payment of such 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 are actually paid or payable.

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

The Assured warrants that on all risks insured hereunder a separate amount shall be reported sufficient to cover the said duty, upon which the rate of premium shall be an agreed percentage of the merchandise rate.

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 the Company so elects, surrender the merchandise to the customs authorities and recover duties thereon as provided by law, in which event any claim under this policy shall be only for a total loss of the merchandise so surrendered and expenses.

This insurance on duty and/or increased value shall terminate at the end of the import movement covered under this policy (including the Warehouse to Warehouse and/or Marine Extension clauses if incorporated herein), but nothing contained in these clauses shall alter or affect any coverage granted elsewhere in the policy during the storage or transit subsequent thereto.

## 30. Warehouse to Warehouse

This insurance attaches from the time the goods leave the warehouse and/or store at 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 overseas from the overseas vessel at the final port. Thereafter, the insurance continues while the goods are in transit and/or awaiting transit until: (i) delivered to final warehouse at the destination named in the policy, certificate or declaration, or (ii) until the expiry of 15 days (or 30 days if the destination to which the goods are insured is outside the limits of the port), whichever shall first occur. The time limits referred to above to be reckoned from midnight of the day on which the discharge overseas 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.

NOTE: 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" under this policy and the right to such cover is dependent on compliance with this obligation.



### 31. Marine Extension Clauses

Notwithstanding anything to the contrary contained in or endorsed on the policy, it is understood and agreed that in consideration of payment of premium as agreed, the following terms and conditions shall apply to all shipments which become at risk hereunder.

- (1) This insurance attaches from the time goods leave the warehouse at the place named in the policy, certificate or declaration for the commencement of the transit and continues until the goods are delivered to the final warehouse at the destination named in the policy, certificate or declaration, or a substituted destination (as provided in sub-Clause (3) below).
- (2) This insurance specially to cover the goods during:
  - (i.) deviation, delay, forced discharge, reshipment and transshipment;
  - (ii.) 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 original insured destination, 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 original insured destination or to any other destination this insurance continues until the goods have arrived at final warehouse (as provided in sub-Clause (1) above).
- (4) If while this insurance is still in force and before the expiry of 15 days from midnight of the day on which the discharge overside of the goods insured here under from the overseas vessel at the final port of discharge is completed, the insured goods are resold (not being a sale within the terms of sub-Clause (3) above) 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: (i) again in transit, or (ii) until the expiry of the aforementioned 15 days whichever shall first occur. If a sale is effected after the expiry of the aforementioned 15 days while this insurance is still in force the protection afforded hereunder shall cease as from the time of the 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.

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.

- (6) 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.





All other terms and conditions of the policy not in conflict with the foregoing remain unchanged, it being particularly understood and agreed that the F.C. & S. clause remains in full force and effect, and that nothing in the foregoing shall be construed as extending this insurance to cover any risks of war or consequences of hostilities.

NOTE: It is necessary for the Assured to give prompt notice to the Company when the Assured becomes aware of an event for which it is "held covered" under this policy and the right to such cover is dependent on compliance with this obligation.

### **32. Drop Shipments**

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

### **33. Deviation/Transshipment**

This insurance shall not be vitiated by any unintentional error in description of vessel, voyage or interest, or by deviation, overcarriage, 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.

### **34. 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.

#### **FREE OF CAPTURE AND SEIZURE**

A. Notwithstanding anything contained to the contrary, this insurance is warranted free from:

- (1) 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;
- (2) 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;



- (3) 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;
- (4) 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 piracy.

#### **S.R. & C.C.**

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

- (1) strikes, lockouts, labor disturbances, riots, civil commotions or disobedience, or the acts of any person or persons taking part in any such activities, occurrences or disorders;
- (2) 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.

#### **NUCLEAR EXCLUSION**

C. 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. Warranty of this policy.

#### **EXTENDED RADIOACTIVE CONTAMINATION EXCLUSION**

**(March 1, 2003)**

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

- (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. Endorsement)**

- E. 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 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.

**CHEMICAL, BIOLOGICAL, BIO-CHEMICAL, AND ELECTROMAGNETIC  
EXCLUSION (March 1, 2003)**

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

**35. Difference in Conditions**

With respect to shipments purchased by the Assured on C.I.F. or similar terms, whereby ocean marine insurance is arranged by the seller and/or others, this policy is extended to cover the difference in conditions between such other insurance and the conditions of insurance for which the merchandise would otherwise have been insured hereunder. All shipments covered hereunder shall be valued and reported at the amount of the seller's insurance.



### **36. F.O.B/F.A.S Shipments**

This policy is extended to cover:

A. The Assured's interest only in shipments sold by the Assured on F.O.B., F.A.S, Cost and Freight, or similar terms whereby the Assured is not obligated to furnish marine insurance, subject to this policy's terms and conditions and continues until: (i) the goods and/or merchandise are loaded on board the overseas vessel, or (ii) until the Assured's interest ceases, whichever shall first occur.

B. The Assured's interest only in shipments purchased by the Assured on F.O.B. or F.A.S. port of arrival or similar terms whereby the Assured is not obligated to furnish marine insurance, subject to this policy's terms and conditions while in transit from the port of arrival in the United States by railroads or railroad express and connecting conveyances and by licensed public motor truck carriers. To attach and cover from the moment the merchandise and/or goods leave from the port of arrival, and to cover continuously thereafter in due course of transit until delivered to final warehouse or until the Assured's interest ceases, whichever shall first occur.

### **37. Contingent Interest**

On all shipments purchased by the Assured on a C.I.F. basis or similar terms where the seller provides insurance, this policy is extended to cover the contingent interest of the Assured only, subject to the terms and conditions of this policy.

In the event of loss or damage to such a shipment, the Company will advance to the Assured as a loan, repayable only to the extent of any amount subsequently collected from the seller, the insurance purchased from the seller or otherwise, the amount of any claims which otherwise would have been recoverable under the terms and conditions of this policy, in consideration of which the Assured agrees to make every effort to collect the full amount from the seller, the seller's insurance or other responsible party for reimbursement to the Company.

All shipments covered hereunder shall be valued at the Assured's purchase price.

The Assured agrees not to divulge the existence of this coverage, except as between the Assured and the Company.

### **38. Guarantee of Collectability**

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, the 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 any other interested party will void coverage under this clause. Any loan so prejudiced shall be repayable immediately by the Assured.



### **39. Unpaid Vendor**

This policy is extended to cover the Assured's interest as an unpaid vendor on shipments sold by the Assured on F.O.B., F.A.S., C. & F., or similar terms, whereby the Assured is not obligated to furnish marine insurance; from the time the goods leave the warehouse at the place named in the declarations and covering until such time as the Assured shall receive payment for such goods from the purchaser, but in no event longer than thirty (30) days following discharge from the ocean vessel.

In the event of loss hereunder, if the seller is unable to collect the purchase price of the goods in regular course, this Company shall advance the amount of such loss pending collection from the buyer and the seller shall use reasonable means to collect the full amount due from the buyer and reimburse this Company.

Losses payable to the Assured and for account of the Assured only.

Warranted by the Assured that the existence of this insurance is confidential as between the Company and the Assured and the existence of such shall not be revealed to consignees or others outside this Company including their agents.

### **40. Salesperson's Samples**

This policy is extended to cover, subject to its terms and conditions, samples of the Assured's goods while in the care, custody, and control of the Assured's salesperson(s).

Goods and/or merchandise at risk under this clause shall be valued as per the Declarations of this policy.

This Company shall not be liable for more than **\$10,000** per any one salesperson nor twice that amount in any one location in the event there are multiple salespersons at said location at the time of loss or damage.

Policy goods and/or merchandise is insured against All Risks of physical loss or physical damage from any external cause irrespective of percentage, but excluding those risks shown in the Paramount Warranties set forth in the policy and any other warranties, exclusions and/or limitations as may appear, excepting to the extent that such risks are specifically covered by endorsement.

This policy does not insure against loss or damage caused by or resulting from infidelity and/or dishonesty of the Assured or their employees or any person or persons to whom goods may be entrusted (bailees excepted).

### **41. Exhibition, Demonstration, and Consignment**

This policy is extended to cover, subject to its terms and conditions, property of the Assured or property of others while in the care, custody, and control of the Assured and for which the Assured is legally liable, while on exhibition and/or from said exhibition and/or demonstration and/or consignment.

Goods and/or merchandise at risk under this clause shall be valued as per the Declarations of this policy.

This Company shall not be liable for more than **\$25,000** per any one exhibition, demonstration and/or consignment location.



Policy goods and/or merchandise are insured against All Risks of physical loss or physical damage from any external cause irrespective of percentage but excluding those risks shown in the Paramount Warranties set forth in the policy and any other warranties, exclusions and/or limitations as may appear, excepting to the extent that such risks are specifically covered by endorsement.

This policy does not insure against loss or damage caused by or resulting from infidelity and/or dishonesty of the Assured or their employees or any person or persons to whom goods may be entrusted (bailees excepted).

#### **42. Consolidation/Deconsolidation**

In consideration of payment of the premium as agreed, the insurance provided under this policy shall also cover the goods insured while on premises of freight forwarders, export packers, consolidators, truckers, warehousemen or others, for the purpose of storage incidental to transit, packing or repacking, consolidation, deconsolidation, containerization, decontainerization, distribution or otherwise anywhere in the world whether prior to loading or after discharge from overseas vessel for a period not exceeding thirty (30) days after arrival at such premises. Thereafter, the insurance continues whilst in transit until the goods are delivered to the final warehouse at destination as provided in the Warehouse to Warehouse and Marine Extension clauses. Held covered at a premium to be arranged in the event of delay in excess of the above time limit. Goods and/or merchandise are insured as per the Insuring Conditions as set forth in this Policy.

The Limit of Liability per any one location shall not exceed the conveyance limit: **As per Declarations** of this policy.

#### **43. Concealed Damage**

It is understood and agreed that any loss or damage found upon opening of original shipping packages at the final destination (but not exceeding thirty (30) 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. It is a condition of this insurance 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.

#### **44. Returned or Refused Shipments**

This policy also to cover shipments insured for the original voyage which have been Returned/Refused by the consignee. Such shipments are held covered subject to the terms and conditions stated herein, until: (i) disposed of by the Assured, or (ii) returned to the original point of shipment, provided such shipments remain in original packing. It being understood and agreed that notice must be given to the Company by the Assured as soon as refusal of acceptance is known to them.



#### **45. Container Demurrage Charges**

Notwithstanding anything to the contrary contained herein, it is understood and agreed that this policy is extended to cover demurrage and/or late penalties assessed against, and paid by, the Assured for late return of containers when said containers are retained by the Assured at the written instruction of the Company for inspection by the Company's Surveyor in investigation of any loss or damage recoverable under this policy.

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

The time period for which the Company shall be liable for said charges and/or penalties shall begin at the time the Company instructs the Assured to retain the containers for inspection and shall end at the time the Company's surveyor instructs the Assured to return the containers. This condition shall not increase any of the Company's limits of liability under this policy.

#### **46. Shortage From Containers**

This insurance is also to cover shortage of goods from inter-modal containers, meaning: (1) the difference between the number of packages loaded as per the shipper's and/or supplier's invoice and/or packing list, and (2) the count of the packages removed as taken by the Assured and/or their agent at the time of discharge from the container upon arrival at final destination, provided that:

- (a) coverage for the shipment includes loss resulting from theft, pilferage and/or non-delivery, AND
- (b) the Assured makes every attempt to first recover the loss from any party who may have been responsible for the shortage including any party that had involvement in loading the goods in the container.

This clause excludes liability for any such loss which can be attributed to the forcible entry into the container after its delivery to final destination.

It is a condition precedent to this coverage that the Assured shall not divulge the existence of this coverage to any party. Any such disclosure shall void all coverage provided by this clause.

#### **47. Non-Delivery**

If thirty (30) days lapse after anticipated arrival of the carrying conveyance and no news has been received, and provided the Average clause applicable to the shipment in this policy includes non-delivery, this Company will consider the shipment, in whole or part a recoverable loss hereunder. If the goods are located after the time limitation noted above the assured may still avail themselves of the protection afforded by the Brands and/or Labels and/or Control of Damaged Goods clause noted elsewhere in this policy.



#### **48. Carrier Insolvency - Extra Expense**

Notwithstanding anything contained herein to the contrary, 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, but not to exceed the insured value of the shipment.

#### **49. Deliberate Damage - Customs Service**

This policy shall also specifically cover, while the goods and/or merchandise are in the due course of transit, physical loss or physical damage to the goods and/or merchandise 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. However, the Company will not pay, under this clause or otherwise, for any loss, damage or deterioration arising from delay even if the delay is caused by a peril insured against.

#### **50. Deliberate Damage - Pollution Hazard**

This policy is extended to cover, only while the property insured is on board a water borne 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 otherwise 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 damage as a direct result of such accident or occurrence. This coverage shall not increase the Company's limits of Liability under this policy.

#### **51. Interruption of Transit of Damaged Goods**

It is agreed that goods and/or merchandise taken out of ordinary transit upon instructions of surveyors appointed by or on behalf of the Company for the purpose of establishment of physical loss or physical damage, shall be held covered, subject to the original terms and conditions applying to such shipment, without payment of additional premium or notice to the Company, during such interruption or suspension of transit until disposed.

#### **52. Debris Removal**

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

- (1) any expenses incurred in consequence of or to prevent or mitigate pollution or contamination, or any threat or liability therefore; and/or





- (2) the cost of removal of cargo from any vessel or craft except to the extent that same would otherwise be recoverable hereunder in the absence of this Clause.

In no event shall the Company's liability under this Clause exceed ten percent (10%) of the value of the insured shipment.

### **53. Fumigation**

The Company will indemnify the Assured for physical loss or damage to the insured property directly resulting from fumigation of the carrying vessel while the insured property is on board, provided that the Assured agrees to subrogate to the Company any recourse that they may have for recovery of such loss or damage from others.

### **54. Bill of Lading Clause**

The Assured is not to be prejudiced by the presence of a negligence clause and/or latent defect clause in the Bills of Lading and seaworthiness as between the Assured and the Company and such non-prejudice is hereby admitted; and, the wrongful act or misconduct of the ship-owner or his servants causing a loss is not to defeat the recovery by an innocent Assured if the loss in the absence of such wrongful act or misconduct would have otherwise been a loss recoverable under this policy. With leave to sail with or without pilots, and to tow and assist vessels or craft in all situations, and to be towed.

### **55. Fraudulent Documents**

This policy also covers direct physical loss or physical damage to goods insured hereunder through the acceptance by the Assured and/or their Agents and/or Shippers of fraudulent Bills of Lading and/or Shipping Receipts, Warehouse Receipts and/or Messenger receipts.

### **56. Both to Blame**

Where goods are shipped under a Bill of Lading containing the so called "Both-to-Blame Collision" Clause, the Company agrees (as to all losses covered by this insurance) to indemnify the Assured for this policy's proportion of any amount (not exceeding the amount insured) which the Assured may be legally bound to pay the ship-owners under such Charter Party. In the event that such liability is asserted the Assured agrees to immediately notify the Company, who shall have the right at their own cost and expense to defend the Assured against such claim.

### **57. Carrier or Bailee**

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



## **58. Expediting Expense**

Coverage is extended to indemnify the Assured for the reasonable and necessary additional expense 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 seven-day waiting period before this coverage becomes available.

The most the Company will pay under this coverage extension is \$10,000 in any one occurrence. This limit is in addition to any other limit of liability that is provided by this policy.

## **59. Notice of Loss**

In case of loss of or damage to the property insured which may become a claim under this policy, same shall be reported promptly in writing to the nearest office of the Company or to the nearest foreign Claim Agent of the Company and proof of interest shall be filed with them as soon as practicable thereafter. Failure to report loss or damage promptly shall invalidate any claim under this policy. Additionally, written notice of claim letter(s) must be filed against the vessel(s) and/or carrier(s) and a copy thereof and of the reply thereto must accompany any claim presented to the Company under this policy.



## **60. Payment of Loss - Examination Under Oath**

All claims payable under this policy shall be paid within thirty days after the Company receives satisfactory 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 the Company). Proofs of loss to be authenticated by the Agent of the Company, if there be one where such proofs are taken; otherwise by a Correspondent of the American Institute of Marine Underwriters, if there be one where such proofs are taken, but if neither is represented, then by some other recognized Insurance Authority. Proof of loss to be authenticated by the Company or its designated representatives, and the Assured and/or certificate holder agree to be examined under oath if so requested by the Company.

## **61. Partial Loss**

In case of partial physical loss or physical damage by perils insured against under the policy, the proportion of loss shall be determined by a separation at Assured's expense of the damaged portion of the insured property from the sound and by an agreed estimate (by survey) of the percentage of damage of such portion; or if such agreement is not practicable, then by public sale of such damaged portion for the account of the owner of the property and by comparison of the amount so realized with the sound market value.

## **62. Constructive Total Loss**

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

## **63. Contributory Value**

This Company shall be liable for only the such proportion of the General Average and Salvage Charges as the sum hereby insured (less Particular Average for which this Company is liable hereunder, if any) bears to the Contributory Value of the property insured hereunder.

## **64. Subrogation and Impairment of Recovery**

It is a condition of this insurance that upon payment of any loss the Company shall be subrogated to all rights and claims against third parties arising out of such loss. It is a further condition of this insurance that if the Assured or his or their assigns have entered or shall enter into any special agreement whereby any carrier or bailee is released from its common law or statutory liability for any loss, or have or shall have waived, compromised, settled or otherwise impaired any right of claim against a third party to which the Company would be subrogated upon payment of a loss without the prior written agreement of the Company as evidenced by endorsement to the policy, the Company shall be free from liability with respect to such loss but its right to retain or recover the premium shall not be affected.



## **65. Sue and Labor**

In case of any loss or misfortune insured under the policy, 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 goods and merchandise, or any part thereof, without prejudice to this insurance; nor shall the acts of the Assured or the Company, in recovering, saving and preserving the property insured, in case of disaster, be considered a waiver or an acceptance of abandonment. The reasonable expenses so incurred shall be borne by the Assured and the Company in proportion to the sum hereby insured bears to the whole value at risk.

## **66. Other Insurance**

This Policy is subject to:

- (a) If an interest insured hereunder is covered by other insurance which attached prior to the coverage provided by this policy, then the Company shall be liable only for the amount in excess of such prior insurance; and, the Company will return to the Assured premium equivalent to the cost of the prior insurance at the Company's rates.
- (b) If an interest insured hereunder is covered by other insurance which attached subsequent to the coverage provided by this policy, then the Company shall nevertheless be liable for the full amount of the insurance without right to claim contribution from any subsequent Insurers.
- (c) Other insurance upon the property of same attaching dates as the coverage provided by this policy shall be deemed simultaneous, and the Company will be liable only for a ratable contribution to the loss or damage in proportion to the amount of premium proportionate to such reduction of liability.

## **67. Declarations**

This Policy is subject to:

- (a) If agreed prior to binding of the policy, then it is a condition of this insurance that the Assured is bound to declare each and every shipment coming within the terms hereof to the Insurance Broker or Agent, or directly to the Company via its on-line service, as soon as practicable after it is known to the Assured.
- (b) It is also agreed that this insurance shall not be prejudiced by any unintentional delay or omission in reporting hereunder or any unintentional error in the amount or the description of the interest, vessel or voyage, if prompt notice is given to the Company as soon as said delay and/or error becomes known to the Assured. Should the Assured willfully fail to report or misrepresent shipments covered by this policy, then the policy as to all subsequent shipments shall, at the Company's option, become null and void.
- (c) The Company is entitled to payment of premiums, at the rates agreed upon, on all shipments covered under this policy.



- (d) The Company or its Agent shall have the right, at any time during business hours, to inspect and audit the records of the Assured as respects shipments coming within the terms of this policy. This right shall prevail as long as this policy shall remain in force and for twelve (12) months thereafter.

## **68. Certificates**

Authority is hereby granted the Assured to countersign and issue the form of certificates or special policies of insurance furnished by the Company for any or all shipments in respect of which insurance is provided hereunder and in consideration thereof the Assured warrants that no certificate or special policy will be issued with any terms thereon varying from or changing: (i) any of the terms and conditions of this policy, and/or (ii) any written instructions that are or may be given by the Company and/or its Agent from time to time with respect to the insurance afforded hereunder. The Assured further warrants and agrees to mail or deliver a complete copy of each certificate or special policy issued, or the negotiable copies of any certificate or special policy spoiled, on day of issuance or as soon thereafter as may be practicable as a declaration of shipment in accordance with the Declarations Clause. Notwithstanding anything to the contrary contained herein, this authority may be revoked at any time by written notice from the Company and the Assured agrees thereupon to: (i) immediately cease all countersignature and issuance activities, and (ii) immediately return all unused Certificates of Insurance.

## **69. Letter of Credit**

Permission is also granted to the Assured to attach the London Institute Cargo Clauses (A, B and C) and War, Strikes, Riots and Civil Commotions Clauses dated 1/1/82 or other London or American Institute Clauses to policies and/or certificates of insurance where such clauses are required by the terms of sale, letter of credit or other banking requirements. Such clauses are deemed to be added to this policy in these instances.

The difference in conditions between such Institute Clauses and this policy are covered hereunder, additional premium, if any, to be agreed.

## **70. Brokers**

It is a condition of this policy, and it is hereby agreed that the Assured's Brokers, or any substituted Brokers, shall be deemed to be exclusively the agents of the Assured and not of the Company in any and all matters relating to, connected with or affecting this insurance. Any notice given or mailed by or on behalf of the Company to any of said Brokers in connection with or affecting this insurance or its cancellation, shall be deemed to have been delivered to the Assured. The Assured agrees that its Brokers are hereby authorized to accept service on behalf of the Assured for any notices hereunder or other legal papers related to this insurance.

## **71. Forum Selection**

It is agreed, that any suit commenced in connection with or relating to and arising out of this contract of insurance shall be brought in the United States District Court for the Southern District of New York, or, in the absence of subject matter jurisdiction, in the Supreme Court of the State and county of New York.



**72. Time for Suit**

No suit or action for the recovery of any claim arising under this policy shall be maintainable in any Court unless such suit or action shall have been commenced within two years from the date of the happening of the loss out of which the said claim arose; provided, however, that if the law of the State or jurisdiction in which this Policy was issued makes such limitation invalid, then any such claim shall be void unless action is commenced within the shortest limit of time permitted by the laws of such State or jurisdiction.

**73. Choice of Law**

This policy and all endorsements shall be governed by the Federal Maritime Law of the United States. In the absence thereof, the laws of the State of New York shall apply.

**74. Headings and Captions**

The headings and captions to the clauses set forth herein are for reference purposes only and shall not be deemed to form part of this policy.

Secretary

Chairman of the Board

## CLAIMS

### Procedure in the event of a loss (Cargo Policy)

As soon as you become aware of a loss which might give rise to a claim under your CNA Policy, immediate notice of such loss or damage must be given to CNA following the steps below:

- Step One: Notify your broker
- Step Two: Using one of the links below, select an agent or correspondent closest to the loss location and contact them to conduct a survey of the damage and investigate the loss.
  - Lloyds - <http://maps.lloydsagency.com/map>
  - AIMU - <http://www.aimu.org/worldwide.html>
- Step Three: Contact the CNA Claim Reporting department using one of the following reporting methods:
  - E-mail: [marinenewloss@cna.com](mailto:marinenewloss@cna.com)
  - Phone: 877-280-7312
    - Option 1 for fax or email addresses.
    - Option 2 for emergencies or to report a new claim
  - Facsimile: 877-329-7752
  - Online: [www.cnacargo.com](http://www.cnacargo.com) ( Cargo and Warehouse claims ONLY )

The police should be notified immediately in respect of losses where a crime such as theft, arson or malicious damage is suspected and the police report number retained

It should be noted that it is the duty of the policy holder and their agents to take all possible measures and steps in averting and/or minimizing the loss and to ensure that all rights against Carriers and/or Third Parties are properly preserved and exercised. Failure to report loss or damage promptly shall invalidate any claim under this policy.

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Details to be provided upon notification of a potential claim should include where possible:

- Policy number and insured name
  - Date of Loss
  - Nature, cause and extent of loss
  - Description and value of cargo insured
  - Approximate value of claim
  - Method of conveyance (e.g. sea / air / rail / road)
  - Location and contact details where cargo can be inspected
-



In order to preserve your rights of action against all delivering carriers as required by the insurance covering your shipments, upon receipt of every consignment you must:

- Make immediate inspection of each package upon receipt. The consignment should be checked for quantity and condition. Packing should be preserved for examination by the surveyor.
- Container seals should be examined to ensure they are intact and the seal numbers correspond to the numbers stated on the transport document.
- Take specific exceptions upon all delivery receipts in respect of all loss and/or damage existing at the time of taking delivery and during transit. It is most important that exact exceptions be taken in writing on the delivery receipt as to the condition of the consignment and that a copy of the delivery receipt is retained for your claim.
- In the event that a check cannot be made during delivery, the receiver should sign the Delivery Receipt “unchecked” and an inspection of the goods should be made as soon as possible.
- Within three (3) days of receipt, written notification must be given to the carrier(s), freight forwarder, packer, Port Authority or other bailees involved in the shipment who may be responsible for the loss or damage, holding them liable. If more than one carrier was involved (Ocean-Air-Truckman-Railroad) a written notice of claim letter must be filed against all of such carriers. Note: Claims to the carrier(s) should be detailed and not merely an expression of an intent to claim.

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Documentation – The following documents should be provided in support of the claim:

- Original and/or clear copies (including front and reverse sides) of all original ocean, air and inland Bills of Lading covering the entire shipment including paid freight bills;
- Certified copy of shipper’s commercial invoice covering the entire shipment insured;
- Copy of packing list(s) and/or weight list(s);
- Out Turn Report and/or Landing Account;
- Pre and post loss inventories;
- Suppliers Sales Invoice or other evidence of value;
- Duty Consumption Entry Report bearing Entry Number; also, executed Customs Form No. 5931 (only required on non deliveries and shortages);
- Copies of all delivery receipts with proper exceptions taken in respect of loss and/or damage noted thereon, as well as any other exceptions or bad order slips and carrier inspection reports which may substantiate loss or damage;
- With regard to non-delivery claims, written confirmation by the carrier(s) involved attesting to their inability to make delivery;
- Copies of your written notice of claim letter(s) against the carrier(s) or others, with their reply when available;
- Provide a detailed statement of claim;
- Repair bills, salvage checks and/or credit notes;
- Any correspondence or other reports or information relevant to the transit, loss, damage, coverage or settlement offers (but do not accept any offer of payment or settlement without prior written consent from the Company);





- Original of survey report with photographs if same has not been sent directly to the Company by the surveyor;
- Original and/or duplicate of Special Cargo Policy or Certificate of Insurance if issued, properly endorsed by the payee. In case of import shipments not covered by a Special Cargo Policy or Certificate of Insurance, identify the Declaration or Monthly Report under which the shipment has been declared to Company.

The foregoing are standard documents and will normally suffice, but circumstances may require additional information, documentation or special action during the claim handling process.



THIS POLICY OF INSURANCE WITNESSETH, that in consideration of premiums as agreed to be paid, the Assurer does make insurance and cause **Crowley Puerto Rico Services, Crowley Holdings, Inc., Crowley Maritime Corporation et al**

to be insured, lost or not lost, for an 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 **February 15, 2015**

This Company shall not be liable hereunder for more than **10,000,000 USD** by any one vessel.

In cases where the 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 Assurer 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 Assurer 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 Assurer in accepting these reports does 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 by written notice given to this Company as soon as known to the Assured.

This Policy shall cover only those shipments which are insured against marine risks under Policy No. **OC247050** of this Company, it being agreed that the description of such shipments, the valuation 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 thirty days after full proofs of loss of interest have been filed with the Assurer.

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, detentions and other warlike operations and acts of kings, princes and peoples in prosecution of hostilities or in the application of sanctions under international agreements, whether before or after declaration of war 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 occurrence.
2. Warranted free from any claim based upon loss of, or frustration of, the insured voyage or adventure caused by arrests, restraints or detentions.



3. This insurance does not cover any loss, damage or expense directly or indirectly arising from, contributed to or caused by any of the following, whether due to a peril insured against or otherwise:
    - (a) Commandeering, preemption, requisition or nationalization by the governmental (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) The 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 thereby insured or to any part thereof:
    - (i) 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).
    - (ii) after being discharged overside from an overseas Vessel at the intended port or place of discharge.  
or  
after the expiry of 15 days from midnight of the day of arrival of the overseas Vessel at the intended port or place of discharge, whichever shall first occur.
    - (iii) after expiry of 15 days from midnight of the day of arrival of the overseas Vessel at an intermediate port or place to discharge the interest for on-carriage from that or any other port or place by another overseas Vessel, but shall reattach as the interest is loaded on the on-carrying overseas Vessels. During the said period of 15 days the insurance remains in force whether the interest is awaiting transit or in transit between the overseas Vessel.
    - (iv) for the purposes 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 subject to the same terms and conditions as shipments by overseas vessel.
  - (e) Shipments by air (other than by air mail), if covered by this Policy are insured subject to the same terms and conditions as shipments by overseas Vessel.
  - ( f ) If 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 Assurer 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 Assurers, 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 Assurers will contribute according to the rate and quantity of the sum hereby insured.
7. General Average and Salvage charges payable according to the 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 premiums on all shipments insured under this Policy at the war risk rates of the Assurer 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 cancelled by either party upon forty-eight 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 prior to the effective date of such notice. Shipments on which this insurance has not so attached but for which, prior to the effective date 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 loading on the overseas Vessel, as provided in Clause 4, at the rates of the Assurer, provided that, prior to said effective date, such shipments were at the risk of the Assured and were covered under the said Policy against marine risks.

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

**Secretary**

**Chairman of the Board**



Endorsement No: 1

Date of Issuance: **February 16, 2015**

This Endorsement, Effective **February 15, 2015** forms a part of Policy No. **OC 247798** of **THE CONTINENTAL INSURANCE COMPANY** issued to **Crowley Puerto Rico Services, Crowley Holdings, Inc., Crowley Maritime Corporation et al.**

#### **FOREIGN OVERLAND TRANSIT ENDORSEMENT**

**1. GEOGRAPHICAL LIMITS**

This policy is extended to provide coverage on policy merchandise while the property of the Assured or while the Assured has an insurable interest hereunder during overland transit to/from **Puerto Rico to Puerto Rico**. This endorsement coverage shall not extend beyond the cessation of the Assured's insurable interest or upon arrival at the premises of destination, whichever shall first occur.

**2. LIMITS OF LIABILITY**

This Company shall not be liable hereunder for more than **As Per Declarations** per any one truck or truck/trailer or rail car or in any one place at any one time, for partial or total loss, salvage charges, sue and labor or any other charges and expenses or all combined.

**3. VALUATION**

Valued at the same basis as provided **As Per Declarations** of the policy to which this endorsement is attached.

**4. INSURING CONDITIONS**

Policy merchandise is insured **As Per Declarations**.

**5. DEDUCTIBLE**

Each claim for loss or damage shall be adjusted separately and from the amount of the claim, as adjusted, the sum of **AS AGREED USD** shall be deducted.

**6. EXCLUSIONS**

Unless modified or superseded elsewhere herein, coverage under this endorsement does not insure against physical loss or physical damage or expense attributable to or caused by:

- a) ordinary leakage, ordinary loss in weight or volume or ordinary wear and tear;
- b) willful misconduct of the Assured or their employees;
- c) unexplained disappearance or shortage from any vehicle owned, leased or operated by the Assured;
- d) inherent vice or nature of the insured property;
- e) insufficiency or unsuitability of packing or preparation of the insured shipments for the intended voyage when performed by the named Assured; and/or
- f) loss of market, or for damage or deterioration arising from delay whether caused by a peril insured against hereunder or otherwise.

**7. REPORTING AND PAYMENT OF PREMIUM**

Reporting and payment of premium **As Per Declarations**.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.



Endorsement No: 2

Date of Issuance: February 16, 2015

This Endorsement, Effective **February 15, 2015** forms a part of Policy No. **OC 247798** of **THE CONTINENTAL INSURANCE COMPANY** issued to **Crowley Puerto Rico Services, Crowley Holdings, Inc., Crowley Maritime Corporation et al.**

**COVERAGE FOR CERTIFIED ACTS OF TERRORISM  
UNDER THE TERRORISM RISK INSURANCE ACT, AS EXTENDED**

In consideration of the charge of **1% of overall earned premium**, it is agreed as follows:

The Policyholder has been previously notified of the availability of and the price for coverage of "**Certified Acts of Terrorism**" under the Terrorism Risk Insurance Act, as extended and reauthorized ("Act"). As defined in Section 102(1) of the Act, an "act of terrorism" means any act that is certified by the Secretary of the Treasury - in concurrence with the Secretary of State, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been 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.

**The Policyholder has opted to purchase such coverage under this policy.**

This policy provides coverage for losses arising from Certified Acts of Terrorism subject to all other terms and conditions of this policy.

**DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES**

Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Act, as amended. Under the formula, the United States Government generally reimburses 85% of covered terrorism losses exceeding the statutorily established deductible paid by the Insurance Company providing the coverage. The Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

With respect to any one or more **Certified Acts of Terrorism**, the Insurer will not pay any amounts for which the Insurer is not responsible under the terms of the Act, as amended (including subsequent acts of Congress pursuant to or further extending or amending the Act), due to the application of any clause in such law which results in a cap on the insurer's liability for payments for terrorism losses.

**ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.**



Endorsement No: 3

Date of Issuance: **February 16, 2015**

This Endorsement, Effective **February 15, 2015** forms a part of Policy No. **OC 247798** of **THE CONTINENTAL INSURANCE COMPANY** issued to Crowley Caribbean Services, LLC, Crowley Holdings, Inc., Crowley Maritime Corporation et al.

**S.R.&C.C. Endorsement (Form No. 12A)**

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 Free of Capture & Seizure Warranty, 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 (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, 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 60 days after completion of discharge overseas of the property insured from the vessel at the port of discharge; or,
  - (e) in respect of air transits, on the expiry of 30 days after unloading the property insured from the aircraft at the place of discharge; **whichever shall first occur.**

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

While the 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, as per Extended RACE Clause;
- (f) chemical, biological, bio-chemical or electromagnetic weapon, device, agent or material, as per CBE Clause.



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

This endorsement may be canceled by either party upon forty-eight hours written, telegraphic, telefaxed, or electronic 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 **February 15, 2015**.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.





**ENDORSEMENT NO. 4**

Date of Issuance **February 16, 2015**

This Endorsement, Effective **February 15, 2015** forms a part of Policy No. **OC 247798** of **THE CONTINENTAL INSURANCE COMPANY** issued to Crowley Puerto Rico Services, Crowley Holdings, Inc., Crowley Maritime Corporation et al.

**PERISHABLE CARGO IN APPROVED OVERSEAS PACKING IS INSURED AGAINST ALL RISKS OF PHYSICAL LOSS OR DAMAGE FROM ANY EXTERNAL CAUSE BUT SUBJECT TO THE FOLLOWING EXCLUSIONS, WARRANTIES AND DEDUCTIBLE PROVISION:**

**A. EXCLUSIONS:**

Notwithstanding the coverage provided in the above, this policy excludes:

1. loss or damage due to inherent vice, gradual deterioration or preshipment condition;
2. claims for or consequent upon detainment, delay, loss of time or loss of market, whether arising from a peril insured against or otherwise;
3. those risks excluded by the F.C. & S. and S.R.C.C. Warranties incorporated in the conditions of this policy.

Provided that, notwithstanding the provisions of Exclusion 1 (above), while the cargo is stowed in the vessel's refrigeration chambers and / or in refrigerated containers, this policy covers loss or damage due to or caused by derangement, breakdown or malfunction of the refrigeration machinery and / or refrigeration plant and / or insulation, but only if such derangement, breakdown or malfunction has lasted for a period of at least 24 consecutive hours.

Provided further that, notwithstanding the provisions of Exclusion 1 (above), this policy covers loss or damage caused by the negligence of any person who has possession or custody of or responsibility for the cargo insured hereunder during the time that this policy is in force.

**B. DEDUCTIBLE:**

Each claim shall be subject to a deductible of **As Agreed** of the insured value of the entire shipment but subject to a minimum deductible of **As Agreed**.

This deductible shall not apply to claims for General Average or Salvage Charges.

**C. WARRANTIES:**

Coverage is conditioned upon the Insured's compliance with the following warranties:

1. It is warranted that, in the event of transportation by land or inland waterway and / or other connecting conveyances prior to loading on an overseas vessel and / or subsequent to discharge therefrom, such conveyances be insulated and / or otherwise equipped for maintaining temperatures required for proper preservation of the cargo insured hereunder.
2. It is warranted that a Ryan Recorder or similar temperature recording device shall be in use for each and every refrigerated container in which the cargo is transported.
3. Warranted the product insured is in sound condition at the time of loading.

**ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.**