

COMMERCIAL TRUCKING MOTOR TRUCK CARGO



Insured Name	HABIBIS INC None
Address	7374 ALCEDO CIRCLE SACRAMENTO, CA 95823
Policy Term	From: Jan 17, 2025 To: Jan 17, 2026

Issued By:
Cover Whale Insurance Solutions Inc.
CA License No 0M87896
January 17, 2025 13:07:41 PST (Pacific Standard Time)

www.CoverWhale.com



POLICY # CW5338728-00

HABIBIS INC

Issued By:
Cover Whale Insurance Solutions Inc.
CA License No 0M87896
January 17, 2025 13:07:41 PST (Pacific Standard Time)

www.CoverWhale.com

IMPORTANT NOTICE:

- 1. The insurance policy that you have purchased is being issued by an insurer that is not licensed by the State of California. These companies are called “nonadmitted” or “surplus line” insurers.**
- 2. The insurer is not subject to the financial solvency regulation and enforcement that apply to California licensed insurers.**
- 3. The insurer does not participate in any of the insurance guarantee funds created by California law. Therefore, these funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.**
- 4. The insurer should be licensed either as a foreign insurer in another state in the United States or as a non-United States (alien) insurer. You should ask questions of your insurance agent, broker, or “surplus line” broker or contact the California Department of Insurance at the toll-free number 1-800-927-4357 or internet website www.insurance.ca.gov. Ask whether or not the insurer is licensed as a foreign or non-United States (alien) insurer and for additional information about the insurer. You may also visit the NAIC’s internet website at www.naic.org. The NAIC—the National Association of Insurance Commissioners—is the regulatory support organization created and governed by the chief insurance regulators in the United States.**
- 5. Foreign insurers should be licensed by a state in the United States and you may contact that state’s department of insurance to obtain more information about that insurer. You can find a link to each state from this NAIC internet website: https://naic.org/state_web_map.htm.**
- 6. For non-United States (alien) insurers, the insurer should be licensed by a country outside of the United States and should be on**

the NAIC's International Insurers Department (IID) listing of approved nonadmitted non-United States insurers. Ask your agent, broker, or "surplus line" broker to obtain more information about that insurer.

7. California maintains a "List of Approved Surplus Line Insurers (LASLI)." Ask your agent or broker if the insurer is on that list, or view that list at the internet website of the California Department of Insurance: www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm.

8. If you, as the applicant, required that the insurance policy you have purchased be effective immediately, either because existing coverage was going to lapse within two business days or because you were required to have coverage within two business days, and you did not receive this disclosure form and a request for your signature until after coverage became effective, you have the right to cancel this policy within five days of receiving this disclosure. If you cancel coverage, the premium will be prorated and any broker's fee charged for this insurance will be returned to you.

MOTOR TRUCK CARGO DECLARATIONS

ITEM ONE

Company Name:	Trisura Specialty Insurance Company
Issued By:	Cover Whale Insurance Solutions Inc.
Named Insured:	HABIBIS INC None
Form of Business:	CORPORATION
Mailing Address:	7374 ALCEDO CIRCLE SACRAMENTO, CA 95823

Policy Period		
From:	Jan 17, 2025	
To:	Jan 17, 2026	At 12:01 AM Standard Time at your mailing address shown above
Previous Policy Number:	N/A	

In return for the payment of the premium, and subject to all the terms of this Policy, we agree with you to provide the insurance as stated in this Policy.

Premium Shown Is Payable At Inception: \$ 2,212.00

Audit Period (if applicable): N/A – Only Scheduled Vehicles, Trailer and Drivers are covered

Endorsements Attached To This Policy		
Form Title	Form Number	Edition Date
Cover Whale Policy Jacket (Cargo)	CWIS Cover MTC	05 22

California Surplus Lines Notice	CA SL D2	01 20
Motor Truck Cargo Declarations	CW MTC CA DS 21	09 21
TRISURA SIGNATURE PAGE MG	TRISURA SIGNATURE PAGE MG	05 24
MTC DEC TAXES, FEES, TOTAL COST	CW MTC DEC SUM	06 22
Cover Whale Motor Truck Cargo	CWIS MTC	02 21
Refrigeration Breakdown Coverage	CW RB 123	09 21
TRAILER INTERCHANGE COVERAGE	CA 23 98	10 13
UNDECLARED DRIVER EXCLUSION	CW CA 402	11 20
State Fraud Warnings	CW SFW	01 21
CLAIMS NOTICE CW	CW Claim Notice	10 22
Surplus Lines Notice (Multi-State)	CW SL	12 20

ITEM ONE (Cont'd)

Countersignature Of Authorized Representative	
Name:	Daniel Abrahamsen
Title:	Chief Executive Officer
Signature:	 <small>Daniel Abrahamsen</small>
Date:	Jan 17, 2025

1. **DRIVER SCHEDULE – Only the following individuals are covered operators under this policy.**

Driver Name(s)	See below – only scheduled drivers are covered
Reporting	N/A - Only scheduled drivers are covered

Operator Name	DOB	License Number	Hire Date	Covered (Y/N)
SUFEL KHAN	1989-11-27	F1276453 (CA)	2025-01-01	Y

The following exclusion is added to the policy: This insurance does not apply to any loss involving a **covered vehicle** while being driven or operated by or under the care, custody or control of any driver excluded above (as indicated with a “N” for “Not Covered”).

2. **VEHICLE SCHEDULE – Only the following vehicles are “covered autos” under this policy.**

Vehicle	Only Scheduled Vehicles, Trailer and Drivers are covered
Reporting	N/A – Only Scheduled Vehicles, Trailer and Drivers are covered

Covered Auto Number:	1				
Town And State Where The Covered Auto Will Be Principally Garaged:					
Per Schedule on File with Cover Whale Insurance Solutions Inc.					
Covered Auto Description					
Year:	2019	Model:	CASCADIA	Trade Name:	FREIGHTLINER

Body Type:	Tractor/Truck			Serial Number(s):		
Vehicle Identification Number (VIN):		3AKJHHDR8KSJX1114				
Classification						
Original Cost New	Radius Of Operation	Business Use s=service r=retail c=commercial	Size GVWR, GCW Or Vehicle Seating Capacity	Age Group	Secondary Rating Classification	Code
N/A	Unlimited	C	Tractor/Truck	N/A	N/A	N/A
Loss Payee Name and Address: Per Schedule on File with Cover Whale Insurance Solutions Inc.						

1. TOTAL PREMIUMS – Premiums subject to reporting and audit provisions.

Coverage	Deposit Premium
Motor Truck Cargo	\$2,212.00
Trailer Interchange	\$1,200
Estimated Total Premium	\$2,212.00
TAXES, FEES & TOTAL COST	
Policy Fee:	\$200.00
Broker/Service Fee:	\$0.00
Underwriting Fee:	\$100.00
Surplus Lines Taxes:	\$75.36
Stamping Fee:	\$4.52

SLAS Transaction Fee:	\$0.00
Surcharge Fee:	0.00
Total Premium Billed at Inception:	\$2,591.88

Signature Page

Trisura Specialty Insurance Company

A handwritten signature in black ink, appearing to read "Mi/Gautreaux", with a large, sweeping flourish at the end.

Micah Gautreaux

General Counsel and Secretary

Coverage Part	Taxes Fees & Total Cost
Motor Truck Cargo	2,212.00
Policy Fee	200.00
Safety Fee	100.00
Broker Fee	0.00
Surplus Lines Tax	75.36
Stamping Fee	4.52
Maintenance Assessment Fee	0.00
Windstorm Fee (if applicable)	\$0.00
SLAS Transaction Fee (if applicable)	0.00
Fire Marshal Tax (if applicable)	\$0
TOTAL	\$2,591.88

INLAND MARINE -- DECLARATIONS

POLICY NUMBER: CW5338728-00

COMPANY NAME: Trisura Specialty Insurance Company _____

PRODUCER NAME AND NUMBER: Cover Whale Insurance Solutions Inc.

NAME OF INSURED HABIBIS INC None

MAILING ADDRESS: 7374 ALCEDO CIRCLE
SACRAMENTO CA 95823

POLICY PERIOD: From Jan 17, 2025 To Jan 17, 2026 at 12:01 a.m Standard Time
at your mailing address shown above.

IN RETURN FOR YOUR PAYMENT OF THE PREMIUM, WE PROVIDE THE INSURANCE
AS DESCRIBED IN THIS POLICY.

BUSINESS DESCRIPTION: CORPORATION

LOSS PAYABLE NAME AND MAILING ADDRESS:

LOCATION ADDRESS: _____

FORMS APPLICABLE TO ALL COVERAGES: _____

PREMIUM: \$ 2,591.88 PAYABLE: _____

COUNTERSIGNATURE: _____ DATE: _____

(Authorized Representative)
Company Officer's Signature

**SCHEDULE OF COVERAGES
MOTOR TRUCK CARGO LEGAL LIABILITY COVERAGE
REPORTING FORM**

(The entries required to complete this schedule
will be shown below or on the "schedule of coverages".)

COVERED PROPERTY

DESCRIBED PROPERTY

All legal property unless otherwise excluded

COVERAGE LIMITS

		"Limit"
Property In Vehicles -- The most "we" pay for loss involving any one "vehicle" is:	\$	100,000
Catastrophe Limit -- The most "we" pay for loss in any one occurrence is:	\$	100,000

LIMITS

No.	TERMINALS	"Limit"
1	Not Applicable	\$Not Covered
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

Check if applicable:

☐ Attach Additional Terminals Schedule to schedule more terminals

COVERAGE EXTENSIONS	"Limit"
Additional Debris Removal Expenses	\$10,000
Defense Costs	Covered, See policy form
Fraud And Deceit	\$1,000

SUPPLEMENTAL COVERAGES

Contract Penalty	\$10,000
Expediting Expenses	\$10,000
Freight Charges	\$10,000
Moving Equipment	\$10,000
Newly Acquired Terminals	\$100,000
Off-Board Electronics	\$5,000
On-Board Electronics	\$5,000
On-Board Expendable Supplies	\$5,000
Pollutant Cleanup And Removal	\$10,000
Rewards	\$10,000

DEDUCTIBLE

Deductible Amount	\$	1,000
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REPORTING CONDITIONS

Reporting Conditions are applicable as described below:

Reporting Period -- (check one)

- ☐ Monthly
☐ Quarterly
☒ Annual

Additional Premium Due After Expiration -- When the premium for the coverage provided by this policy is based upon reports of value any additional premium owed to "us" is due on the due date that appears on the billing notice.

Adjustment Period -- (check one)

- ☐ Monthly
☐ Quarterly
☒ Annual

Reports -- (check one)

Within 30 days after the end of each reporting period indicated above "you" will report to "us":

- ☒ Gross Receipts
☐ Sales
☐ Mileage
☐ Other (specify) _____

Reporting Rate	\$	221,200.00
Premiums	\$	2,212.00
Deposit Premium	\$	2,212.00
Minimum Premium	\$	2,212.00

ADDITIONAL INFORMATION

Original Reporting Basis: \$ 0

Gross Receipts

MOTOR TRUCK CARGO LEGAL LIABILITY COVERAGE REPORTING FORM

In this coverage form, the words "you" and "your" mean any persons or organizations named as the insured on the declarations, and the words "we", "us", and "our" mean the company providing this coverage.

Refer to the Definitions section at the end of this coverage form for additional words and phrases that have special meaning. These words and phrases are shown in quotation marks.

AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Motor Truck Cargo Legal Liability Coverage. This coverage is also subject to the "schedule of coverages" and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Endorsements and schedules may also apply. They are identified on the "schedule of coverages".

COVERAGE

1. **Legal Liability Coverage** -- "We" pay for loss or damage to covered property that "you" become legally obligated to pay as a common or contract carrier under a bill of lading, contract of carriage, or shipping receipt, but only if:
 - a. such loss or damage occurs while the property is under "your" care, custody, or control; and

- b. the bill of lading, contract of carriage, or shipping receipt is issued by "you" or on "your" behalf.

2. **We Do Not Cover** -- "We" do not pay for costs, expenses, fees, fines, penalties, or damages resulting from "your" violation of any law or regulation relating to any delay in payment, denial, or settlement of any claim.

PROPERTY COVERED

1. **Property In Vehicles** --

- a. **Coverage** -- "We" pay for direct physical loss or damage, caused by a covered peril, to property of others described on the "schedule of coverages" while in due course of "transit" on or in a "vehicle".
- b. **Coverage Limitation** -- Due course of "transit" includes loading and unloading, but only if the property of others is loaded from or unloaded onto a sidewalk, street, loading dock, or similar area that is adjacent to a "vehicle".
- c. **Time Limitation** -- "We" only cover loss or damage to such property of others up to 72 hours following the arrival of the property at the intended destination.

However, in no event will "we" cover loss or damage to such property of others beyond the period of time for which "you" are liable under the terms of the bill of lading, contract of carriage, or shipping receipt.

2. **Property In Terminals --**

- a. **Coverage** -- "We" pay for direct physical loss or damage, caused by a covered peril, to property of others described on the "schedule of coverages" while at a "terminal" in due course of "transit".
- b. **Coverage Limitations** -- "We" only cover property of others while the property is at a "terminal" that is described on the "schedule of coverages".
- c. **Time Limitation** -- "We" only cover loss or damage to such property of others up to 30 days following the arrival of the property at a "terminal".

However, in no event will "we" cover loss or damage to such property of others beyond the period of time for which "you" are liable under the terms of the bill of lading, contract of carriage, or shipping receipt.

3. **We Do Not Pay --**

- a. **Failure To Comply With Contractual Requirements** -- Except as provided under Supplemental Coverages -- Contract Penalty, "we" do not pay for costs, expenses, fees, fines, penalties, or damages resulting from "your" failure to comply with contractual requirements for the transport of property, whether such requirements are express "terms" of a contract or implied by course of dealing or usage of trade. This includes but is not limited to any requirements related to seals.
- b. **Noncompliance With Laws Or Regulations** -- "We" do not pay for costs, expenses, fees, fines, penalties, or damages resulting from or relating to "your" failure to meet standards required by any law or regulation, including but not limited to:

- 1) properly maintaining or cleaning "vehicles", "trailers", or "terminals";
- 2) maintaining temperature requirements;
- 3) creating and retaining required records; or
- 4) implementing conditions, practices, and training for the sanitary transportation of property.

- c. **Food Deemed Adulterated** -- "We" do not pay for loss or damage to food deemed "adulterated" by any federal or state law or regulation that governs food safety, if the adulteration is caused by or results from "your":

- 1) failure to comply with contractual requirements for the transport of property, whether such requirements are express "terms" of a contract or implied by course of dealing or usage of trade. This includes but is not limited to any requirements related to seals; or
- 2) failure to meet standards required by any law or regulation, including but not limited to:

- a) properly maintaining or cleaning "vehicles", "trailers", or "terminals";
- b) maintaining temperature requirements;
- c) creating and retaining required records; or
- d) implementing conditions, practices, and training for the sanitary transportation of property.

However, "we" do cover loss or damage to food deemed "adulterated" if the adulteration is caused by or results from direct physical loss or damage by a covered peril to food.

PROPERTY NOT COVERED

1. **Art** -- "We" do not cover objects of art including paintings and statuary.
2. **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.
3. **Jewelry, Stones, And Metals** -- "We" do not cover jewelry, precious or semi-precious stones, gold, silver, platinum, or other precious metals or alloys.
4. **Live Animals** -- "We" do not cover animals, including cattle or poultry, unless death is caused or made necessary by a "specified peril".
5. **Money And Securities** -- "We" do not cover accounts, bills, currency, food stamps, or other evidences of debt, lottery tickets not held for sale, money, notes, or securities.
6. **Other Carriers** -- "We" do not cover property while in the custody of any other carrier if "you" have waived or otherwise made unenforceable "your" subrogation rights after a loss occurs.
7. **Property That Has Been Delivered** -- "We" do not cover property of others after 72 hours following the arrival of the property at the intended destination.
8. **Property At A Terminal** -- "We" do not cover property of others after 30 days following the arrival of the property at a "terminal".
9. **Storage** -- "We" do not cover property "you" hold in storage under warehouse receipts or other written contracts.
10. **Trailer, Container, Or Conveyance** -- "We" do not cover any intermodal container, "trailer", or any other carrying conveyance, including any equipment or supplies that are part of the container, "trailer", or conveyance.

This exclusion does not apply to any such container, "trailer", or other conveyance described under a:

- a. bill of lading;
- b. contract of carriage; or
- c. shipping receipt;

that is issued by "you" or on "your" behalf.

COVERAGE EXTENSIONS

Provisions That Apply To Coverage Extensions -- The following Coverage Extensions indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages". If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Coverage Extension within this coverage form, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, the coverages provided below are part of and not in addition to the applicable "limit" for coverage described under Property Covered.

The "limit" provided under a Coverage Extension cannot be combined with or added to the "limit" for any other Coverage Extension or Supplemental Coverage, including a Coverage Extension, Supplemental Coverage, or other coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following Coverage Extensions are not subject to and not considered in applying coinsurance conditions.

Unless otherwise noted, the deductible does not apply to the following described Coverage Extensions.

1. **Debris Removal --**

- a. **Coverage** -- "We" pay the costs for the demolition, clearing, and removal of debris of covered property, if such debris results from a covered peril.
- b. **We Do Not Cover** -- This coverage does not include costs to:
 - 1) extract "pollutants" from land or water; or
 - 2) remove, restore, or replace polluted land or water.
- c. **Limit** -- "We" do not pay any more under this coverage than 25% of the amount "we" pay for the direct physical loss or damage to covered property exclusive of the costs for debris removal. "We" will not pay more for loss to covered property and debris removal combined than the "limit" for the damaged property.
- d. **Additional Limit** -- "We" pay up to an additional \$10,000 for debris removal expense when the debris removal expense exceeds 25% of the amount "we" pay for direct physical loss to covered property or when the loss to covered property and debris removal combined exceeds the "limit" for the damaged property.
- e. **You Must Report Your Expenses** -- "We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.

2. **Defense Costs --**

- a. **Coverage** -- "We" have the option to defend any "suit" brought against "you" as a result of loss or damage to covered property caused by a covered peril. "We" may investigate and settle a claim or "suit".
- b. **Coverage Limitation** -- "We" do not have to provide a defense after "we" have paid the "limit" as a result of a judgment or written settlement.

c. **You Must Not** -- "You" must not:

- 1) admit liability for a loss, settle a claim, or incur expense without "our" written consent; or
- 2) interfere with "our" negotiation for a settlement.

d. **Covered Expenses** -- "We" will pay the following expenses associated with any "suit" "we" defend:

- 1) expenses that "we" incur while investigating and defending the "suit";
- 2) actual loss of "your" salary, up to \$250 per day, for "your" time spent away from work at "our" request;
- 3) expenses that "you" incur at "our" request;
- 4) all costs that "you" are required to pay as a result of any "suit" "we" defend;
- 5) interest that accrues after entry of a judgment, until "we" tender, deposit in court, or pay "our" part of the judgment;
- 6) interest that is awarded against "you" before the entry of a judgment. If "we" make an offer to settle the "suit", "we" will not pay any interest that accrues after the offer to settle; and
- 7) cost of a bond for the release of attachments. "We" are not required to furnish a bond itself.

3. **Fraud And Deceit --**

- a. **Coverage** -- "We" cover theft of covered property when "you" or "your" agents, customers, or consignees are fraudulently induced to part with the covered property:
 - 1) to persons who falsely represent themselves as the proper persons to receive the property;
 - 2) by the acceptance of fraudulent bills of lading or shipping receipts; or
 - 3) as a result of or directly related to the use of any electronic data processing hardware or software.

- b. **Limit** -- The most "we" pay in any one occurrence under this Coverage Extension is \$1,000.

SUPPLEMENTAL COVERAGES

Provisions That Apply To Supplemental

Coverages -- The following Supplemental Coverages indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Supplemental Coverage within this coverage form, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, a "limit" for a Supplemental Coverage provided below is separate from, and not part of, the applicable "limit" for coverage described under Property Covered.

The "limit" available for coverage described under a Supplemental Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for a Supplemental Coverage and the "limit" for coverage described under Property Covered.

The "limit" provided under a Supplemental Coverage cannot be combined with or added to the "limit" for any other Supplemental Coverage or Coverage Extension, including a Supplemental Coverage, Coverage Extension, or other coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following Supplemental Coverages are not subject to and not considered in applying coinsurance conditions.

Unless otherwise noted, the deductible does not apply to the following described Supplemental Coverages.

1. Contract Penalty --

a. Coverage --

- 1) "We" pay for the costs, expenses, fees, fines, penalties, or damages resulting from "your" failure to comply with contractual requirements for the transport of property.
- 2) "We" also pay for the costs, expenses, fees, fines, penalties, or damages that "you" are assessed or are required to pay as a result of "your" failure or inability to deliver covered property according to the terms of the bill of lading, contract of carriage, or shipping receipt.

- b. **Coverage Limitation** -- "We" only pay for the costs, expenses, fees, fines, penalties, or damages that "you" are assessed or are required to pay as a result of a direct physical loss caused by a covered peril to covered property.

- c. **Limit** -- The most "we" pay in any one occurrence under this Supplemental Coverage is \$5,000.

The most "we" pay during each separate 12-month period of this policy under this Supplemental Coverage is \$50,000.

2. Expediting Expenses --

- a. **Coverage** -- "We" pay for "your" expenses to expedite the:

- 1) repair of a "vehicle" that is transporting covered property; or
- 2) delivery of covered property by alternate means of transportation.

Expediting expenses include, but are not limited to, additional labor or overtime costs, additional fuel costs, and freight charges.

b. **Coverage Limitation --**

- 1) "We" only pay for "your" expediting expenses when a transporting "vehicle" cannot deliver covered property due to loss or damage to the "vehicle" caused by a covered peril.
- 2) "We" only pay for the reasonable expediting expenses that are necessary for the timely delivery of covered property.

- c. **Limit --** The most "we" pay in any one occurrence under this Supplemental Coverage is \$5,000.

3. **Freight Charges --**

- a. **Coverage --** "We" pay freight charges that are due "you" and that become uncollectible as a result of covered loss or damage, caused by a covered peril, to covered property.

- b. **Limit --** The most "we" pay in any one occurrence under this Supplemental Coverage is \$5,000.

4. **Moving Equipment --**

- a. **Coverage --** "We" cover direct physical loss or damage, caused by a covered peril, to moving equipment used by "you" in the handling and shipping of covered property.

Moving equipment includes, but is not limited to, tarps, chains, binders, pads, covers, dollies, pallets, packing materials, hand trucks, and other similar equipment.

- b. **Moving Equipment Does Not Include --** Moving equipment does not include "vehicles", "trailers", or other conveyances.

- c. **Limit --** The most "we" pay in any one occurrence under this Supplemental Coverage is \$5,000.

5. **Newly Acquired Terminals --**

- a. **Coverage --** "We" cover direct physical loss or damage, caused by a covered peril, to property of others at a "terminal" that "you" acquire during the policy period.

- b. **Coverage Limitation --** "We" only cover loss or damage at a "terminal" that "you" acquire when at least one "terminal" is described on the "schedule of coverages".

- c. **Time Limitation --** This coverage applies for up to 60 days from the date "you" acquire the "terminal" or until "you" report the acquired "terminal" to "us", whichever occurs first.

However, this coverage does not extend beyond the end of the policy period.

- d. **Limit --** The most "we" pay in any one occurrence under this Supplemental Coverage is \$100,000.

- e. **Additional Premium --** "You" must pay any additional premium due from the date "you" acquire the "terminal".

6. **Off-Board Electronics --**

- a. **Coverage --** "We" cover direct physical loss or damage, caused by a covered peril, to "your" "off-board electronic equipment" and similar property of others that is in "your" care, custody, or control.

- b. **Coverage Limitation --** "We" only cover "off-board electronic equipment" and similar property of others while at, or in "transit" between, a premises that "you" own or operate.

- c. **We Do Not Cover --** "We" do not provide coverage under this Supplemental Coverage for:

- 1) equipment described under Supplemental Coverages -- On-Board Electronics;
 - 2) audio or video equipment designed solely for entertainment; or
 - 3) equipment of others being shipped by "you" under a bill of lading, contract of carriage, or shipping receipt.
- d. **Limit** -- The most "we" pay in any one occurrence under this Supplemental Coverage is \$5,000.
7. **On-Board Electronics** --
- a. **Coverage** -- "We" cover direct physical loss or damage, caused by a covered peril, to "your" "on-board electronic equipment" and similar property of others that is in "your" care, custody, or control.
 - b. **Coverage Limitation** -- "We" only cover "on-board electronic equipment" and similar property of others while in "vehicles" that transport covered property.
 - c. **We Do Not Cover** -- "We" do not provide coverage under this Supplemental Coverage for:
 - 1) equipment described under Supplemental Coverages -- Off-Board Electronics;
 - 2) audio or video equipment designed solely for entertainment; or
 - 3) equipment of others being shipped by "you" under a bill of lading, contract of carriage, or shipping receipt.
 - d. **Limit** -- The most "we" pay in any one occurrence under this Supplemental Coverage is \$5,000.
8. **On-Board Expendable Supplies** --
- a. **Coverage** -- "We" cover direct physical loss or damage, caused by a covered peril, to "your" "on-board expendable supplies".
 - b. **Coverage Limitation** -- "We" only cover "your" "on-board expendable supplies" while in or on "vehicles" that are on the road transporting covered property.
 - c. **We Do Not Cover** -- "We" do not provide coverage under this Supplemental Coverage for expendable supplies of others being shipped by "you" under a bill of lading, contract of carriage, or shipping receipt.
 - d. **Limit** -- The most "we" pay in any one occurrence under this Supplemental Coverage is \$5,000.
9. **Pollutant Cleanup And Removal** --
- a. **Coverage** -- "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by a covered peril that occurs during the policy period.
 - b. **Time Limitation** -- This coverage applies only if the expenses to extract "pollutants" are reported to "us" in writing within 180 days from the date the covered peril occurs.
 - c. **We Do Not Cover** -- "We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants".

However, "we" pay the cost of testing that is necessary for the extraction of "pollutants" from land or water.
 - d. **Limit** -- The most "we" pay for each location is \$10,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12-month period of this policy.

10. Rewards --

a. **Coverage** --

- 1) "We" pay a reward to an eligible person for information leading to the arrest and conviction of any person or persons committing:

- a) arson;
- b) theft; or
- c) vandalism.

The conviction must involve a covered loss, under this policy, caused by arson, theft, or vandalism.

- 2) "We" pay a reward to an eligible person for the return of stolen covered property, when the loss is caused by theft.

- b. **Eligible Person Means** -- An eligible person under this Supplemental Coverage means the first person to voluntarily provide the applicable law enforcement agency with the necessary information or return the stolen covered property. An eligible person cannot be:

- 1) "you" or any family member;
- 2) "your" employee or any of his or her family members;
- 3) an employee of the applicable law enforcement agency;
- 4) any person who had custody of the covered property at the time the property was stolen; or
- 5) any person involved in the crime.

- c. **Coverage Limitation** -- There will be no reward payment unless and until the person(s) committing the crime is (are) convicted, or the covered property is returned.

- d. **Limit** -- The most "we" pay in any one occurrence under this Supplemental Coverage is \$1,000. The amount "we" pay is not increased by the number of persons involved in providing the information.

PERILS COVERED

"We" cover direct physical loss or damage unless the loss is limited or caused by a peril that is excluded.

PERILS EXCLUDED

1. "We" do not pay for loss or damage caused directly or indirectly by, or consisting of, one or more of the following excluded causes, events, or conditions. Such loss or damage is excluded regardless of other causes, events, or conditions that contribute in any sequence to or aggravate the loss, whether such causes, events, or conditions act to produce the loss before, at the same time as, or after the excluded causes, events, or conditions.

- a. **Civil Authority** -- Order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

"We" do cover loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

- b. **Nuclear Hazard** -- Nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. Direct loss by fire resulting from the nuclear hazard is covered.

c. **War And Military Action --**

- 1) War, including undeclared war or civil war;
- 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- 3) insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the "terms" of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War And Military Action exclusion will apply in place of the Nuclear Hazard exclusion.

2. "We" do not pay for loss or damage that is caused by or results from one or more of the following:

a. **Criminal, Fraudulent, Dishonest, Or Illegal Acts --** "We" do not pay for loss or damage caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed alone or in collusion with another by:

- 1) "you";
- 2) others who have an interest in the property;
- 3) others to whom "you" entrust the property, including but not limited to owner-operators "you" have hired;
- 4) "your" partners, officers, directors, trustees, joint venturers, or "your" members or managers if "you" are a limited liability company; or
- 5) the employees or agents of 1), 2), 3), or 4) above, whether or not they are at work.

This exclusion does not apply to acts of destruction by "your" employees, but "we" do not pay for theft by employees.

- b. **Loss Of Use --** "We" do not pay for loss or damage caused by or resulting from loss of use, delay, or loss of market.

c. **Pollutants --** "We" do not pay for loss or damage caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants":

- 1) unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "specified peril"; or
- 2) except as specifically provided under Supplemental Coverages - Pollutant Cleanup And Removal.

"We" do cover any resulting loss caused by a "specified peril".

- d. **Spoilage --** "We" do not pay for loss to "perishable stock" caused by "spoilage".

But if "spoilage" results in a "specified peril", "we" do cover the loss or damage caused by that "specified peril".

- e. **Voluntary Parting --** Except as provided under Coverage Extensions - Fraud And Deceit, "we" do not pay for loss or damage caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.

3. The following exclusions only apply to moving equipment, "off-board electronic equipment", "on-board electronic equipment", and "on-board expendable supplies", all as described under Supplemental Coverages.

"We" do not pay for loss or damage that is caused by or results from one or more of the following:

- a. **Contamination Or Deterioration** -- "We" do not pay for loss or damage caused by or resulting from contamination or deterioration including corrosion, decay, fungus, mildew, mold, rot, rust, or any quality, fault, or weakness in the covered property that causes it to damage or destroy itself.
- b. **Mechanical Breakdown** -- "We" do not pay for loss or damage caused by or resulting from any mechanical or electrical breakdown or malfunction.
- c. **Missing Property** -- "We" do not pay for missing property where the only proof of loss is unexplained or mysterious disappearance of covered property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the covered property.
- d. **Wear And Tear** -- "We" do not pay for loss or damage caused by or resulting from wear and tear, marring, or scratching.

WHAT MUST BE DONE IN CASE OF LOSS

- 1. **Notice** -- In case of a loss, "you" must:
 - a. give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice); and
 - b. give notice to the police when the act that causes the loss may have been a crime.
- 2. **You Must Protect Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss.
- 3. **Proof Of Loss** -- "You" must send "us", within 60 days after "our" request, a signed, sworn proof of loss. This must include the following information:
 - a. the time, place, and circumstances of the loss;
 - b. other policies of insurance that may cover the loss;
 - c. "your" interest and the interests of all others in the property involved, including all mortgages and liens;
 - d. changes in title of the covered property during the policy period; and
 - e. estimates, specifications, inventories, and other reasonable information that "we" may require to settle the loss.
- 4. **Examination** -- "You" must submit to examination under oath in matters connected with the loss as often as "we" reasonably request and give "us" sworn statements of the answers. If more than one person is examined, "we" have the right to examine and receive statements separately and not in the presence of others.
- 5. **Payment Of Reasonable Costs** -- "We" do pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. "Our" payment of reasonable costs does not increase the "limit".
- 6. **We Do Not Pay** -- "We" do not pay for such repairs or emergency measures performed on property that has not been damaged by a peril insured against.

5. **Records** -- "You" must produce records, including tax returns and bank microfilms of all canceled checks relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.
6. **Damaged Property** -- If the damaged and undamaged property is in "your" care, custody, or control, "you" must exhibit the property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.
7. **Volunteer Payments** -- "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.
8. **Abandonment** -- "You" may not abandon the property to "us" without "our" written consent.
9. **Cooperation** -- "You" must cooperate with "us" in performing all acts required by this policy.

VALUATION

1. Property Of Others --

- a. **Actual Cash Value** -- If actual cash value is indicated on the bill of lading, contract of carriage, or shipping receipt that is issued by "you" or that is issued on "your" behalf, the value of property of others, as described under Property Covered, will be based on the actual cash value at the time of the loss.

- b. **Replacement Cost** -- If replacement cost is indicated on the bill of lading, contract of carriage, or shipping receipt that is issued by "you" or that is issued on "your" behalf, the value of property of others, as described under Property Covered, will be based on the replacement cost without any deduction for depreciation.

The replacement cost is limited to the cost of repair or replacement with similar materials and used for the same purpose. The payment will not exceed the amount that is spent to repair or replace the damaged or destroyed property of others.

- c. **If Your Responsibility For Property Of Others Is Reduced** -- If the amount of "your" responsibility for property of others is reduced, "we" will not pay more for loss to property of others than the reduced amount of "your" responsibility plus the cost of labor, materials or services furnished or arranged by "you".

The reduced amount of "your" responsibility will be based on an amount:

- 1) set by law; or
- 2) lawfully set by "you" in a bill of lading, contract of carriage, or shipping receipt that is issued by "you" or that is issued on "your" behalf.

2. **Equipment And Supplies** -- The value of moving equipment, "off-board electronic equipment", "on-board electronic equipment", and "on-board expendable supplies" will be based on the actual cash value at the time of the loss.
3. **Pair Or Set** -- The value of a lost or damaged article that is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.

4. **Loss To Parts** -- The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace.

HOW MUCH WE PAY

1. **Insurable Interest** -- "We" do not cover more than "your" insurable interest in any property.

2. **Deductible** -- "We" pay only that part of "your" loss over the deductible amount indicated on the "schedule of coverages" in any one occurrence.

"We" may pay all or a portion of the deductible amount to settle a loss or "suit". If "we" do pay all or a portion of the deductible amount, "you" must promptly reimburse "us" for the amount "we" paid.

3. **Loss Settlement Terms** -- Subject to paragraphs 1., 2., 4., and 5. under How Much We Pay:

- a. **We Pay The Least Of** -- "We" pay the least of:
- 1) the amount determined under Valuation;
 - 2) the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
 - 3) the "limit".
- b. **Catastrophe Limit** -- In no event will "we" pay more than the catastrophe "limit" indicated on the "schedule of coverages" regardless if a loss involves:
- 1) one or more "vehicles";
 - 2) one or more "terminals";
 - 3) any combination of "vehicles" or "terminals"; or

- 4) any combination of "vehicles", "terminals", or coverages described under Coverage Extensions or Supplemental Coverages.

- c. **When A Vehicle Is At A Terminal** -- The "limit" for a "terminal" applies when a "vehicle" is situated within a "terminal".

In no event will "we" combine the "limit" for a "terminal" with the "limit" for a "vehicle".

4. **Insurance Under More Than One Coverage** -- If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.

5. **Insurance Under More Than One Policy** --

- a. **Proportional Share** -- "You" may have another policy subject to the same "terms" as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.
- b. **Excess Amount** -- If there is another policy covering the same loss, other than that described above, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" do not pay more than the applicable "limit".

LOSS PAYMENT

1. **Loss Payment Options** --

- a. **Our Options** -- In the event of loss covered by this coverage form, "we" have the following options:

- 1) pay the value of the lost or damaged property;

- 2) pay the cost of repairing or replacing the lost or damaged property;
 - 3) rebuild, repair, or replace the property with other property of equivalent kind and quality, to the extent practicable, within a reasonable time; or
 - 4) take all or any part of the property at the agreed or appraised value.
- b. **Notice Of Our Intent To Rebuild, Repair, Or Replace** -- "We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.
2. **Your Losses** --
- a. **Adjustment And Payment Of Loss** -- "We" adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy.
- b. **Conditions For Payment Of Loss** -- An insured loss will be payable 30 days after:
- 1) a satisfactory proof of loss is received; and
 - 2) the amount of the loss has been established either by written agreement with "you" or by the filing of an appraisal award with "us".
3. **Property Of Others** --
- a. **Adjustment And Payment Of Loss To Property Of Others** -- Losses to property of others may be adjusted with and paid to:
- 1) "you" on behalf of the owner; or
 - 2) the owner.
- b. **We Do Not Have To Pay You If We Pay The Owner** -- If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any "suits" brought by the owners at "our" expense.

REPORTING CONDITIONS

If indicated on the "schedule of coverages", the following reporting conditions apply.

1. Reports --

- a. **You Will Report To Us** -- Within 30 days after the end of each reporting period, "you" will report to "us", as indicated on the "schedule of coverages", the total of one of the following:

- 1) the total receipts (collected and uncollected) earned from "your" operations as a carrier for hire;
- 2) "your" total sales from "your" operations as a carrier for hire;
- 3) the mileage "vehicles" have covered as part of "your" operations as a carrier for hire; or
- 4) other information as described in the "schedule of coverages".

- b. **Cancellation** -- If "your" coverage is canceled, "you" will report the total receipts, sales, mileage, or other information up to and including the date of cancellation and pay any additional premium due.

2. Premium Computation And Adjustment --

The premium will be adjusted as of each adjustment period indicated on the "schedule of coverages". The computed premium will be determined by multiplying the total receipts, sales, mileage, or other information by the rate indicated on the "schedule of coverages".

- a. **Annual Adjustment Period** -- When an annual adjustment period is indicated on the "schedule of coverages", "we" will compare the total computed premium to the deposit premium. If it is more than the deposit premium, "you" will pay "us" the difference. If it is less than the deposit premium, "we" will pay "you" the difference subject to the minimum premium indicated on the "schedule of coverages".

- b. **Other Adjustment Period** -- When any other premium adjustment period is indicated, "we" will apply the computed premium to the deposit premium until it is exhausted. "You" will pay "us" all premiums that exceed the deposit premium. At the end of the policy period, if the computed premium is less than the deposit premium, "we" will pay "you" the difference subject to the minimum premium indicated on the "schedule of coverages".
- 3. **Provisions That Affect How Much We Pay** -- The following provisions apply to reports that are submitted and may affect How Much We Pay:
 - a. **Failure To Submit Reports** -- If "you" have failed to submit the required reports or no report has been submitted, the most "we" will pay is 90% of the "limit".
 - b. **Reported Values Are Less Than The Full Value** -- If "your" last report before a loss shows less than the actual total receipts, sales, mileage, or other information during the reporting period, "we" will only pay a part of the loss. "We" will not pay a greater portion of the loss, prior to the application of the deductible, than the total receipts, sales, mileage, or other information "you" reported divided by the total receipts, sales, mileage, or other information that actually should have been reported during the reporting period.
 - c. **We Will Not Pay More Than The Limit** -- "We" will not pay more than the applicable "limit" regardless of any reported value used in computing the premium.

OTHER CONDITIONS

- 1. **Appraisal** -- If "you" and "we" do not agree on the amount of the loss or the value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three, sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

- 2. **Bankruptcy Of An Insured** -- Bankruptcy or insolvency of an insured does not relieve "us" of "our" obligations under this coverage.
- 3. **Benefit To Others** -- Insurance under this coverage will not directly or indirectly benefit anyone having custody of "your" property.

4. **Conformity With Statute** -- When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.
5. **Estates** -- This provision applies only if the insured is an individual.
- a. **Your Death** -- On "your" death, "we" cover the following as an insured:
- 1) the person who has custody of "your" property until a legal representative is qualified and appointed; or
 - 2) "your" legal representative.
- This person or organization is an insured only with respect to property covered by this coverage.
- b. **Policy Period Is Not Extended** -- This coverage does not extend past the policy period indicated on the declarations.
6. **Misrepresentation, Concealment, Or Fraud** -- This coverage is void as to "you" and any other insured if, before or after a loss:
- a. "you" or any other insured have willfully concealed or misrepresented:
- 1) a material fact or circumstance that relates to this insurance or the subject thereof; or
 - 2) "your" interest herein; or
- b. there has been fraud or false swearing by "you" or any other insured with regard to a matter that relates to this insurance or the subject thereof.
7. **Policy Period** -- "We" pay for a covered loss that occurs during the policy period.
8. **Recoveries** -- If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:
- a. "you" must notify "us" promptly if "you" recover property or receive payment;
- b. "we" must notify "you" promptly if "we" recover property or receive payment;
- c. any recovery expenses incurred by either are reimbursed first;
- d. "you" may keep the recovered property but "you" must refund to "us" the amount of the claim paid or any lesser amount to which "we" agree; and
- e. if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be prorated between "you" and "us" based on "our" respective interest in the loss.
9. **Restoration Of Limits** -- Except as indicated under Contract Penalty, a loss "we" pay under this coverage does not reduce the applicable "limits".
10. **Subrogation** -- If "we" pay for a loss, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" do not pay for a loss if "you" impair this right to recover.
- "You" may waive "your" right to recover from others in writing before a loss occurs.
11. **Suit Against Us** -- No "suit" may be brought against "us" unless:
- a. all of the "terms" of this coverage have been complied with; and
- b. the amount of the insured's liability has been determined by:
- 1) a final judgment against an insured as a result of a trial; or
 - 2) a written agreement by the insured, the claimant, and "us".
- No person has a right under this coverage to join "us" or implead "us" in actions that are brought to determine an insured's liability.

12. **Territorial Limits** -- "We" cover property while it is in the United States of America, its territories and possessions, Canada, and Puerto Rico.

13. **Your Reimbursement To Us** -- "You" must reimburse "us" all sums for a loss that "we" have paid and that "we" would not have been required to pay except for the attachment to this policy of any federal, state, or other regulatory endorsement.

"You" must reimburse "us" within 30 days after "we" have notified "you" that "we" have paid a loss that "we" would not have been required to pay except for the attachment of a required regulatory endorsement.

DEFINITIONS

1. "Adulterated" means impure, unwholesome, or unsafe to enter commerce for human consumption.

2. "Limit" means the amount of coverage that applies.

3. "Off-board electronic equipment" means electronic equipment, related software, antennas, and accessories that "you" use to:

- a. communicate with "vehicles"; or
- b. track "vehicles";

while the "vehicles" are on the road transporting covered property.

4. "On-board electronic equipment" means electronic equipment, related software, antennas, and accessories that are permanently installed in "vehicles" and used for:

- a. communications;
- b. monitoring;

- 1) refrigeration or heating equipment; and
- 2) a "vehicle's" mileage and speed;

c. determining the weight of the "vehicle";

d. tracking of the "vehicle"; or

e. navigation.

Equipment is considered permanently installed if the equipment is removable from a housing unit that is permanently installed in a "vehicle" and is designed to run by using electrical power from the "vehicle's" electrical system.

5. "On-board expendable supplies" means:

- a. fuel;
- b. oil;
- c. grease; and
- d. similar expendable supplies.

6. "Perishable stock" means property preserved and maintained under controlled conditions and susceptible to loss or damage if the controlled conditions change.

7. "Pollutant" means:

- a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including but not limited to acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
- b. electrical or magnetic emissions, whether visible or invisible, and sound emissions.

8. "Schedule of coverages" means:

- a. all pages labeled "schedule of coverages" or schedules that pertain to this coverage; and
- b. declarations or supplemental declarations that pertain to this coverage.

9. "Specified perils" means the perils of:
- a. fire;
 - b. lightning;
 - c. windstorm;
 - d. hail;
 - e. collision, overturn, or derailment of a transporting conveyance;
 - f. collapse of a bridge or culvert; and
 - g. theft.
10. "Spoilage" means any detrimental change in physical state of "perishable stock". Detrimental change includes, but is not limited to, thawing of frozen goods, warming of refrigerated goods, or solidification of liquid material.
11. "Suit" means a judicial proceeding that has been set up to determine liability and damages for loss to property of others that consists of covered property that is in "your" care, custody, or control. Judicial proceedings also include arbitration proceedings in the event that "you" may be required to submit to arbitration.
12. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply.
13. "Terminal" means any portion of a premises, including the legal boundaries of the premises, where covered property is transferred between "vehicles" or between "vehicles" and other transporting conveyances.

The transfer of covered property includes any temporary storage associated with such transfer.

14. "Trailer" means an over-the-road vehicle designed to carry cargo while being hauled by a tractor or other self-propelled power unit.

"Trailer" includes but is not limited to:

- a. trailers, semi-trailers, automobile racks, flatbeds, lowboys, and tankers;
- b. dollies used to convert semi-trailers into trailers; and
- c. shipping containers designed to be attached to and transported by trailers.

15. "Transit" means the shipment of covered property by "you" and the shipment:
- a. begins at the point of transport where "you" accept property into "your" care, custody, or control for the transportation of the property to a specific destination;
 - b. includes the ordinary, reasonable, and necessary stops, interruptions, delays, or transfers incidental to the route and method of shipment, including rest periods taken by the driver(s); and
 - c. ends upon acceptance of the goods by or on behalf of the consignee at the specified destination.
16. "Vehicle" means any one vehicle, truck, tractor, "trailer", or combination of these pulled by one power unit.

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PROPERTY EXCLUDED

(The entries required to complete this endorsement
will be shown below or on the "schedule of coverages".)

PROPERTY NOT COVERED

"We" do not cover the property described below (indicate by checking below):

- ☒ 1. Livestock Or Poultry
- ☒ 2. Liquor (excluding beer or wine)
- ☒ 3. Tobacco Products
- ☒ 4. Furs Or Fur Trimmed Garments
- ☒ 5. Eggs
- ☒ 6. Boats
- ☒ 7. Automobiles
- ☒ 8. Mobile Homes
- ☒ 9. Prefabricated Homes
- ☒ 10. Pharmaceuticals
- ☒ 11. Cannabis
- ☐ 12. _____
- ☐ 13. _____
- ☐ 14. _____
- ☐ 15. _____

COMMON POLICY CONDITIONS

1. **Assignment** -- This policy may not be assigned without "our" written consent.
2. **Cancellation** -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel this policy, or one or more of its parts, by written notice sent to "you" at "your" last mailing address known to "us". If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

If "we" cancel this policy for nonpayment of premium, "we" will give "you" notice at least ten days before the cancellation is effective. If "we" cancel this policy for any other reason, "we" will give "you" notice at least 30 days in advance of cancellation. The notice will state the time that the cancellation is to take effect.

"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.
3. **Change, Modification, or Waiver of Policy Terms** -- A waiver or change of the "terms" of this policy must be issued by "us" in writing to be valid.
4. **Inspections** -- "We" have the right, but are not obligated, to inspect "your" property and operations at any time. This inspection may be made by "us" or may be made on "our" behalf. An inspection or its resulting advice or report does not warrant that "your" property or operations are safe, healthful, or in compliance with laws, rules, or regulations. Inspections or reports are for "our" benefit only.
5. **Examination of Books and Records** -- "We" may examine and audit "your" books and records that relate to this policy during the policy period and within three years after the policy has expired.

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VIRUS OR BACTERIA EXCLUSION

DEFINITIONS

Definitions Amended --

When "fungus" is a defined "term", the definition of "fungus" is amended to delete reference to a bacterium.

When "fungus or related perils" is a defined "term", the definition of "fungus or related perils" is amended to delete reference to a bacterium.

PERILS EXCLUDED

The additional exclusion set forth below applies to all coverages, coverage extensions, supplemental coverages, optional coverages, and endorsements that are provided by the policy to which this endorsement is attached, including, but not limited to, those that provide coverage for property, earnings, extra expense, or interruption by civil authority.

The following exclusion is added under Perils Excluded, item 1.:

Virus or Bacteria --

"We" do not pay for loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

This exclusion applies to, but is not limited to, any loss, cost, or expense as a result of:

- a. any contamination by any virus, bacterium, or other microorganism; or
- b. any denial of access to property because of any virus, bacterium, or other microorganism.

OTHER CONDITIONS

Other Terms Remain in Effect --

The "terms" of this endorsement, whether or not applicable to any loss, cost, or expense, cannot be construed to provide coverage for a loss, cost, or expense that would otherwise be excluded under the policy to which this endorsement is attached.

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AMENDATORY ENDORSEMENT CALIFORNIA

1. Under Common Policy Conditions, Cancellation is deleted and replaced by the following:

Cancellation And Nonrenewal

- a. "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.
- b. "We" may cancel or not renew this policy by delivering or mailing written notice to the producer of record and to "you" at "your" mailing address last known to "us". "Our" notice will state the reason for the cancellation or nonrenewal. Proof of delivery or mailing is sufficient proof of notice.
- c. If this policy has been in effect for 60 days or less, "we" may cancel for any reason. "We" will give "you" notice at least 10 days before the cancellation is effective. "Our" notice will state the date on which the cancellation is effective. Such notice may be delivered by electronic means if "you" have affirmatively consented to that method of delivery and have not withdrawn such consent.
- d. If this policy has been in effect for more than 60 days, or if it is a renewal of a policy issued by "us", "we" may cancel only for one or more of the following reasons:
 - 1) nonpayment of premium;
 - 2) there has been a judgment by a court or an administrative tribunal that "you" have violated a law of this state or the United States involving an act that materially increases a hazard insured against;

- 3) there has been a discovery of fraud or material misrepresentation committed by:

- a) a person insured under this coverage or his or her representative in obtaining this insurance; or
- b) "you" or "your" representative in pursuing a claim under this policy;

- 4) there has been a discovery of willful or grossly negligent acts or omissions, or of violations of state laws or regulations establishing safety standards by "you" or "your" representative, that materially increase a hazard insured against;
- 5) there has been a failure by "you" or "your" representative to implement reasonable loss control requirements to which "you" agreed as a condition of the issuance of this policy, or which were required in order to qualify for a particular rate or rating plan, if the failure materially increases a hazard insured against;
- 6) the Insurance Commissioner has determined that loss of, or changes in, "our" reinsurance would threaten "our" financial integrity or solvency;
- 7) the Insurance Commissioner has determined that a continuation of this policy would place "us" in violation of the law or that continuation of coverage would threaten "our" solvency; or
- 8) there has been a change made by "you" or "your" representative in the activities or property which has resulted in a materially added, increased, or changed hazard that is not included in the policy.

If "we" cancel this policy for nonpayment of premium or fraud, "we" will give "you" notice at least 10 days before the cancellation is effective. If "we" cancel this policy for any other reason, "we" will give "you" notice at least 30 days before cancellation is effective. "Our" notice will state the date on which the cancellation is effective. Such notice may be delivered by electronic means if "you" have affirmatively consented to that method of delivery and have not withdrawn such consent.

- e. "Your" return premium, if any, will be calculated on a pro rata basis and will be refunded at the time of cancellation or within 80 business days of cancellation unless this policy is subject to audit. If this policy is subject to audit, it will be refunded to "you" within 80 business days of the date "you" provide all information needed to conduct an audit. Payment or tender of the unearned premium is not a condition of cancellation.
- f. If we decide not to renew this policy, "we" will give "you" notice at least 60 days, but not more than 120 days, before the nonrenewal is effective.

However, notice of nonrenewal is not required if:

- 1) this policy is transferred to or renewed by another insurer in "our" insurance group without changing policy "terms" or the rate on which the premium is based;
 - 2) the policy has been extended for 90 days or less after notice was given in accordance with the requirements of this condition;
 - 3) "you" have obtained replacement coverage or have agreed in writing to obtain replacement coverage within 60 days of the termination of this policy;
- 4) this policy was issued for a term of 60 days or less and "you" were notified when the policy was issued that it would not be renewed;
 - 5) "you" request a change in "terms" or hazards covered within 60 days of the end of the policy period; or
 - 6) in accordance with the requirements of this condition, "we" have made a written offer to renew the policy with changed "terms" or at a change to the rate on which the premium is based.
- g. If this policy covers a one- to four-family dwelling used predominantly for residential purposes, except in cases in which "you" terminate the policy, "we" may not cancel or not renew this policy solely:
 - 1) because "you" have accepted "our" offer of earthquake coverage; or
 - 2) because of corrosive soil conditions, if this policy contains an exclusion relating to that peril; or
 - 3) because the dwelling is located in an area in which a wildfire has occurred and a state of emergency, as defined in Section 8558 of the Government Code of California, has been declared in response, but only to the extent such cancellation or nonrenewal is prohibited by Section 675.1(b) of the California Insurance Code.
 - h. If this policy covers a one- to four-family dwelling used predominantly for residential purposes and if, in accordance with California law, "you" have designated an additional person to receive notice of the nonrenewal or cancellation of this policy for nonpayment of premium, "we" will give notice to such person at least 10 days before the nonrenewal or cancellation is effective. Such notice will be sent by first-class United States mail, postage prepaid, to the address provided by "you" within 10 days after the date on which the premium is due and unpaid.

Except as provided above, no person designated by "you" to receive notice of the nonrenewal or cancellation of this policy for nonpayment of premium has any rights, whether as an additional insured or otherwise, to any benefits under this policy.

2. Under Common Policy Conditions, the following condition is added:

Conditional Renewal – If "we" condition the renewal of this policy upon:

- a. a reduction in "limits";
- b. an elimination of coverage;
- c. an increase in deductibles; or
- d. a rate increase of more than 25%;

"we" will deliver or mail written notice to the producer of record and to "you", at the mailing address shown in the policy, at least 60 days, but not more than 120 days, before the end of the policy period. Such notice may be delivered by electronic means if "you" have affirmatively consented to that method of delivery and have not withdrawn such consent. Proof of delivery or mailing is sufficient proof of notice.

CL 0162 01 19

AMENDATORY ENDORSEMENT CALIFORNIA

1. Under Perils Excluded, the first paragraph of item 1. is deleted and replaced by the following:

"We" do not pay for loss or damage caused by one of the following excluded causes, events, or conditions.

2. Under Perils Excluded, Criminal, Fraudulent, Dishonest, Or Illegal Acts is amended to include the following:

However, with respect to a covered loss caused by fire, this exclusion does not apply to an insured who did not cooperate with or contribute to the act that caused such loss.

Subject to all other "terms" of this policy, "our" payment to an insured who did not cooperate in or contribute to the act that caused the loss may be limited to that person's insurable interest in the property, less any payment made to a mortgagee or other party with a legal secured interest in the property. "We" retain all rights set forth in the Subrogation condition of this policy with regard to action against the perpetrator of the act that caused the loss.

3. In all coverage forms except the Builders' Risk - Rehabilitation And Renovation Form, under Valuation, Actual Cash Value, if applicable, is amended to include the following:

- a. The actual cash value of covered property will be determined as:
 - 1) the amount it would cost to repair, rebuild, or replace the lost, damaged, or destroyed property less a fair and reasonable deduction for physical depreciation; or
 - 2) the "limit" applicable to that property at the time of the loss;

whichever is less.

- b. The condition of the property at the time of the loss is the basis for determining the amount of physical depreciation. The expense of labor necessary to repair, rebuild, or replace covered property is not a component of physical depreciation.

- c. a. and b. above do not apply to property subject to Agreed Amount valuation "terms" or an item of property specifically scheduled with a value applicable to such item.

4. In the Builders' Risk - Rehabilitation And Renovation Form, under Valuation, Existing Building, Actual Cash Value, if applicable, is amended to include the following:

- a. The actual cash value of covered property will be determined as:
 - 1) the amount it would cost to repair, rebuild, or replace the lost, damaged, or destroyed property less a fair and reasonable deduction for physical depreciation; or
 - 2) the "limit" applicable to that property at the time of the loss;

whichever is less.

- b. The condition of the property at the time of the loss is the basis for determining the amount of physical depreciation. The expense of labor necessary to repair, rebuild, or replace covered property is not a component of physical depreciation.

- c. a. and b. above do not apply to property subject to Stated Value valuation "terms" or an item of property specifically scheduled with a value applicable to such item.

5. In the Builders' Risk - Rehabilitation And Renovation Form, under Valuation, Building Materials is deleted and replaced by the following:

Building Materials --

- a. **Actual Cash Value** -- The value of "building materials" will be based on the actual cash value at the time of loss (less a fair and reasonable deduction for physical depreciation).
- b. **Actual Cash Value Means** -- The actual cash value of "building materials" means:
- 1) the actual cash value of "building materials" means:
 - a) the necessary and reasonable cost of materials (less a fair and reasonable deduction for physical depreciation) and labor incurred to repair or replace the part of the covered "building materials" that sustains direct physical loss or damage;
 - b) the reasonable overhead and profit related to the covered "building materials" that sustains direct physical loss or damage but not to exceed the overhead and profit being charged for the "rehabilitation or renovation project" in accordance with the construction contracts; and
 - 2) other related construction costs and expenses that are re-incurred to repair or replace the part of "building materials" that sustain direct physical loss or damage, but only if such costs have been included as part of the "limit" for a covered "rehabilitation or renovation project".

6. Under How Much We Pay, Insurance Under More Than One Policy is deleted and replaced by the following:

Insurance Under More Than One Policy --

"You" may have another policy covering identical risks, whether or not both policies are subject to the same "terms", such insurers are liable to make loss payment as described below. In the event "you" have double insurance, and incur:

- a. a total or constructive total loss, "we" will pay "our" share of the covered loss if that policy has the same effective date as this policy. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.

However, if there is a total or constructive loss and that policy has an effective date other than the effective date on this policy, "we" will pay according to the effective dates on the policies. This policy will be primary to any policy with an effective date after the effective date of this policy. This policy will be excess over any policy with an effective date before the effective date of this policy.

- b. a partial loss, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.

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**U.S. Terrorism Risk Insurance Act of 2002 as amended
Not Purchased Clause**

This Clause is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.

It is hereby noted that the Underwriters have made available coverage for "insured losses" directly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended ("TRIA") and the Insured has declined or not confirmed to purchase this coverage.

This Insurance therefore affords no coverage for losses directly resulting from any "act of terrorism" as defined in TRIA except to the extent, if any, otherwise provided by this Policy.

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

LMA5219
01/12/2015

Conditions

1. Cancellation

- a. The Named Insured first shown in the Declarations may cancel this policy by:
 - 1) Mailing or delivering to Underwriters advance written notice of cancellation; or
 - 2) Surrendering the policy to Underwriters or to any of its authorized agents.
- b. Underwriters may cancel this policy by mailing or delivering to the Named Insured first shown in the Declarations written notice of cancellation at least:
 - 1) 10 days before the effective date of cancellation, if Underwriters cancel because of nonpayment of any premium when due.
 - 2) 30 days before the effective date of cancellation, if Underwriters cancel for any other reason.
- c. Underwriters will mail or deliver its notice to the last mailing address known to Underwriters of the Named Insured first shown in the Declarations. If notice is mailed, proof of mailing will be sufficient proof of notice.
- d. Notice of cancellation by Underwriters will state the effective date of cancellation and the reason for the cancellation. The Policy Period will end on that date.
- e. If this policy is canceled, Underwriters will send the Named Insured first shown in the Declarations any premium refund due. If Underwriters cancel, the refund will be pro-rata.
- f. If the Named Insured cancels, Underwriters shall compute the return premium at 90% of the pro-rata unearned premium. Underwriters shall in any event be entitled to retain any minimum retained premium stated in the Declarations.
- g. Premium adjustments may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

2. Insured's duties in the event of incident, claim or suit –

Written notice of each incident, claim, or suit must be sent to:

Cover Whale Insurance Solutions Inc.
30211 Ave de Las Banderas, Suite 200
Rancho Santa Margarita, CA 92688

- a. It is a condition precedent to coverage that as soon as the Insured becomes aware of an alleged act, error, or omission that may result in a claim, the Insured must give Underwriters written notice of the incident as soon as practical during the policy period or extended reporting period, if purchased.
- b. If a claim is made or suit is brought against the Insured, the Insured shall:

- 1) Immediately forward to Underwriters at the address listed above every demand, notice, summons or process received by the Insured or any representative of the Insured:
 - 2) Notify Underwriters as soon as practical, but in any event no later than 60 days after the end of the policy period, or extended reporting period, if purchased.
- c. The Insured shall cooperate with Underwriters and upon Underwriters' request will assist in reaching settlement, in the conduct of suits, and in enforcing any right of contribution or indemnity from any person or organization who may be liable to the Insured because of any act, error or omission to which Insured is afforded coverage under this Policy. In addition, the Insured shall attend hearings and trials, assist in securing and giving evidence, and shall obtain the attendance of witnesses.
 - d. The Insured will allow Underwriters and their agents and attorneys to interview and/or take Statements Under Oath in connection with any claim or circumstance which may give rise to a claim under this Policy of any person who is, or was the Assured's Director, Officer, Employee, Manager or Agent in connection with any claim or circumstance which may give rise to a claim under this policy. As regards any person who is or was a former Director, Officer, Employee, Manager or Agent, the Insured will use its best efforts to secure their co-operation.
 - e. The Insured shall not, except at Insured's own cost, make any payment or assume any obligation or incur any expense unless the Insured shall have first consulted with and obtained approval from Underwriters or its designated attorneys.

3. Inspection of Records

Underwriter(s) shall have the privilege at any reasonable time to inspect the records of the Insured as respects shipments coming within the terms of this insurance.

4. Law and Jurisdiction

Unless otherwise specifically noted herein to the contrary, this Policy is governed by the Laws of the United States of America. The parties hereto agree that disputes, which may arise hereunder, will be submitted to the Federal Courts of the United States alone, or if the parties so decide, to arbitration.

5. Misrepresentation and Fraud

This Policy shall be void if the Insured has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof or in any case of any fraud, attempted fraud or false swearing by the Insured touching any matter relating to this insurance or the subject thereof, whether before or after a loss.

6. Notice of Suit

No suit or action on this Policy shall be sustainable in any court of law or equity unless the Insured shall have complied in full with all the terms and conditions of this Policy, nor unless same shall be commenced within twelve (12) months from the time the loss occurred; provided that if by the laws of the place where this Policy is issued, such limitation is invalid, then any such claim shall be void unless such suit or action is commenced within the shortest limit of time permitted by the laws of such place.

7. Notice of Loss

On the insured becoming aware of any event or occurrence giving rise or likely to give rise to a claim under this Policy or upon receipt by the Insured of notice of any claim or subsequent proceeding the Insured shall, as soon as practicable after the event or occurrence:

- A. Give notice thereof, in writing, to Insurers and in any event within 48 hours of the event or occurrence; any notice of claim given to Insurers by any party insured under this Policy shall be accepted by Underwriter as a notice of claim given on behalf of all other parties insured under this Policy. Notice shall be sent to Cover Whale Insurance Solutions Inc. 30211 Ave de Las Banderas, Suite 200, Rancho Santa Margarita, CA 92688
- B. Preserve any damaged or defective interest insured or things which might prove necessary or useful by way of evidence in connection with any claim and so far as may be reasonably

practicable no alteration or repairs shall without the consent of Underwriters be made after the event or occurrence until the Insurers shall have had an opportunity of inspection.

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- C. Solely with respect to the interest insured stolen or lost or willfully damaged, give notice as soon as practicable to the police.
- D. Forward to Insurers every letter, writ, summons or process, as soon as practicable after receipt thereof and give notice to Insurers in writing as soon as practicable after the Insured shall have knowledge of an impending prosecution or inquest in connection with any event or occurrence.
- E. When called upon to do so, furnish to Insurers in writing all details of the event or occurrence together with such evidence vouchers proofs and explanations as Insurers may reasonably require.

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8. Other Insurance

Except as specifically provided for elsewhere herein, this insurance shall not cover to the extent of any other valid and collectible insurance whether prior or subsequent hereto in date, and by whomsoever effected, directly or indirectly covering the same property, and Underwriters shall be liable for loss or damage only for the excess value beyond the amount of such other insurance.

9. Subrogation

It is a condition of this insurance that upon payment of any loss the Insurers shall be subrogated to all rights of the Insured, and the Insured's assignee, against third parties with respect to such loss and that when so requested the Insured or his assignee agree to provide Underwriters with a duly executed Letter of Subrogation.

Any claimant under this Policy shall, at the request and at the expense of Insurers, do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by Insurers for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which Insurers shall be or would become entitled or subrogated upon their paying for or making good any destruction or damage under this Policy, whether such acts and things shall be or become necessary or required before or after indemnification by Insurers.

It is a further condition of this insurance that if any Insured impairs or diminishes the rights to which

the Insurers would be subrogated upon payment, Insurers may deduct from such payment a sum equal to the estimated recovery lost by reason of the Insured's action or inaction. Where a paid loss is subject to deductible, the Insured shall be deemed a co-insurer with respect to such deductible and shall obtain such proportion of any recovery as the deductible bears to the total amount of loss payable in absence of said deductible.

Insurers hereby agree to waive rights of subrogation against any person, firm, corporation, parent or subsidiary of, or allied or affiliated with, the Insured, and against any individual, firm or corporation, their subsidiary, factors of assigns for whom or with whom the Insured may be operating and/or has accepted responsibility to insure or whose interests are otherwise covered by this Policy.

This waiver is not to apply to ship-owners, vessel owners, barge owners, charterers, freight forwarders, haulers, and without prejudice to the generality of the foregoing all carriers of any form and description.

The Insured agrees to assist Insurers in all respects or pursue rights of recovery against other responsible third parties.

The above agreement is not to interfere with rights of subrogation against packers and/or their Insurers.

10. Duty of Insured

It is the duty of the Insured and their agents, in all cases, to take such measures as may be reasonable for the purpose of averting or minimizing a loss, the charges whereof, the said Insurers will contribute according to the rate and quantity of the sum hereby insured. It is also the duty of the Insured to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised.

Measures taken by the Insured or Insurers, in recovering, saving and preserving the property insured, in case of loss, shall not be considered a waiver or an acceptance of abandonment.

11. Institute Service of Suit (USA) CL.355 November 1, 1992

It is agreed that in the event of the failure of the Underwriters severally subscribing this insurance (the Underwriters) to pay any amount claimed to be due hereunder, the Underwriters, at the request of the Assured, will submit to the jurisdiction of a court of competent jurisdiction within the United States of America.

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

Subject to the Underwriters' rights set forth above:

A. It is further agreed that the Assured may serve process upon

Lloyd's America Inc, Attention: Legal Department, 280 Park Avenue, East Tower, 25th Floor, New York, NY 10017 (California Assureds shall serve process upon Foley & Lardner LLP, 555 California Street, Suite 1700, San Francisco, CA 94104-1520; Kentucky Assureds shall serve process upon Lloyds Kentucky, Inc. 200 West Main Street, Frankfort, KY 40601) and that in any suit instituted against any one contract the Underwriters will abide by the final decision of the Court or of any Appellate Court in the event of an appeal.

B. The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Assured to give a written undertaking to the Assured that they will enter a general appearance upon the Underwriters' behalf in the event such a suit shall be instituted.

C. The right of the Assured to bring suit as provided herein shall be limited to a suit brought in its own name and for its own account. For the purpose of suit as herein provided the word Assured includes any mortgagee under a ship mortgage which is specifically named as a loss payee in this insurance and any person succeeding to the rights of any such mortgagee.

D. Further, pursuant to any statute of any state, territory or district of the United States of America which makes provision therefore, Underwriters hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office (the Officer), as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Assured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above-named as the person to whom the Officer is authorized to mail such process or a true copy thereof.

12. Complaints

All inquiries or complaints by the Insured must be referred in the first instance to Cover Whale Insurance Solutions Inc. whose name and address are provided on the front of this document. Complaints should be referred to Compliance Officer, 30211 Ave de Las Banderas, Suite 200, Rancho Santa Margarita, CA 92688.

13. **Several Liability Notice** LSW1001 – The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

Exclusions

This policy does not apply to any claim:

1. Alleging bodily injury or property damage or liability arising out of the "pollution or toxic injury hazard,"

- a. Whether or not the claim arises out of professional services rendered by the insured, goods or containers in which goods are packaged or sold, shipped or forwarded by the insured, or liability arising out of premises owned, leased, occupied or used by the insured.
- b. Alleging bodily injury or property damage or liability arising out of the "pollution or toxic injury hazard," whether or not the actual or threat of exposure occurred in a confined or unconfined indoor or outdoor space, and whether or not the bodily injury, property damage or liability arose out of the negligent use or handling of toxic substances that occur in the normal course of business.

"Pollution or toxic injury hazard" means an actual exposure or threat of exposure to the corrosive, toxic or other harmful properties or effects of any solid, liquid, gaseous or thermal products, or byproducts, which are or contain pollutants, contaminants, irritants or toxic substances, including but not limited to smoke, vapors, soot, fumes, acids or alkalis, petroleum or hazardous substances and waste materials consisting of or containing any of the foregoing.

Underwriters shall have no obligation under the policy –

- a. To investigate, settle or defend any claim or suit against the Insured alleging actual or threatened injury or damage of any nature or kind to persons or property which arises out of or would not have occurred but for the "pollution or toxic injury hazard"; or
- b. To pay any damages, judgments, settlement, loss, costs or expenses that may be awarded or incurred by reason of any such claim or suit or any such injury or damage, or in complying with any action authorized by law and relating to such injury or damage or liability.

2. Terrorism Exclusion NMA2920

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Insured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

3. War and Civil War Exclusion Clause NMA464

Notwithstanding anything to the contrary contained herein this policy does not cover loss or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

4. Institute Radioactive Contamination, Chemical, Biological, And Electromagnetic Weapons Exclusion Clause CL 370

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

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

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

5. MARINE CYBER EXCLUSION

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

- a In no case shall this insurance cover any loss, damage, liability or expense directly or indirectly caused by, contributed to by or arising from:
 - the failure, error or malfunction of any computer, computer system, computer software programme, code, or process or any other electronic system, or
 - the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.

LMA5402

11 November 2019

6. 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.

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

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

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

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

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

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

THIS ENDORSEMENT ONLY APPLIES IF IT IS STIPULATED AS BEING INCLUDED ON THE OPTIONAL ENDORSEMENTS SCHEDULE.

Refrigeration Breakdown Coverage

- a. **We** will pay for loss or damage to Covered Property caused by freezing, spoilage or change in temperature, when the loss or damage is conclusively proven to be caused by mechanical failure of or breakdown of the automatic temperature control unit.
- b. Loss or damage caused by the following are excluded under this Optional Coverage:
- (1) Failure to maintain an adequate fuel supply
 - (2) Failure to maintain crankcase oil level within the manufacturer's specifications.
 - (3) Failure to maintain an adequate level of refrigerant per the manufacturer's specifications.
 - (4) Failure due to computer or electronic process malfunction
 - (5) Losses caused by wear and tear or deterioration or a lack of or improper maintenance of any refrigeration unit component.
- c. As a condition to this Optional Coverage, **You** warrant that:
- (1) The refrigeration or heating units will be maintained in accordance with the manufacturer's instructions in good operating condition and will be inspected at least once a month by **you** or **your** authorized service representative(s), and
 - (2) Maintenance, service and inspection records will be kept, and available for inspection by **us** or **our** authorized representative at all times during **your** normal business hours.

Failure to comply with these warranties voids the coverage under the Refrigeration Breakdown Coverage

- d. **Our** liability for loss or damage under this Optional Coverage is limited to the amount shown under **Coverage Number 1** on the **OPTIONAL COVERAGES SCHEDULE**. The deductible applicable to losses recoverable under this Optional Coverage is limited to the amount shown for **Coverage Number 1** in the **OPTIONAL COVERAGES SCHEDULE**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**TRAILER INTERCHANGE COVERAGE**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: HABIBIS INC**Endorsement Effective Date:** Jan 17, 2025**SCHEDULE**

Coverages	Limit Of Insurance And Deductible	Estimated Premium
Comprehensive	Least Of Actual Cash Value, Cost Of Repair, Or	\$ See Vehicle/Trailer Schedule
	\$ 40,000	
	Limit Of Insurance	
	\$ 2,500	
	Deductible For Each Covered Trailer	
Specified Causes Of Loss	Least Of Actual Cash Value, Cost Of Repair, Or	\$
	\$	
	Limit Of Insurance	
	\$	
	Deductible For Each Covered Trailer	
Collision	Least Of Actual Cash Value, Cost Of Repair, Or	\$ See Vehicle/Trailer Schedule
	\$ 40,000	
	Limit Of Insurance	
	\$ 2,500	
	Deductible For Each Covered Trailer	
Fire	Least Of Actual Cash Value, Cost Of Repair, Or	\$
	\$	
	Limit Of Insurance	
	\$	
	Deductible For Each Covered Trailer	
Fire And Theft	Least Of Actual Cash Value, Cost Of Repair, Or	\$
	\$	
	Limit Of Insurance	
	\$	
	Deductible For Each Covered Trailer	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

This endorsement provides only the coverage for which a premium is shown in the Schedule.

A. Coverage

1. We will pay all sums you legally must pay as damages because of "loss" to a "trailer" you don't own or its equipment under:

a. Comprehensive Coverage

From any cause except:

- (1) The "trailer's" collision with another object; or
- (2) The "trailer's" overturn.

b. Specified Causes Of Loss Coverage

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquake;
- (4) Flood;
- (5) Mischief or vandalism; or
- (6) The sinking, burning, collision or derailment of any conveyance transporting the "trailer".

c. Collision Coverage

Caused by:

- (1) The "trailer's" collision with another object; or
- (2) The "trailer's" overturn.

d. Fire Coverage

Caused by:

- (1) Fire, lightning or explosion; or
- (2) The sinking, burning, collision or derailment of any conveyance transporting the "trailer".

e. Fire And Theft Coverage

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft; or
- (3) The sinking, burning, collision or derailment of any conveyance transporting the "trailer".

2. We have the right and duty to defend any "insured" against a "suit" asking for these damages. However, we have no duty to defend any "insured" against a "suit" seeking damages for any "loss" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends for a coverage when the Limit of Insurance for that coverage has been exhausted by payment of judgments or settlements.

3. Coverage Extensions

The following applies as Supplementary Payments. We will pay for you:

- a. All expenses we incur.
- b. The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance.
- c. All reasonable expenses incurred at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- d. All court costs taxed against the "insured" in any "suit" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".
- e. All interest on the full amount of any judgment that accrues after entry of the judgment; but our duty to pay interest ends when we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

B. Exclusions

1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

a. Nuclear Hazard

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

b. War Or Military Action

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

2. We will not pay for loss of use.

3. Other Exclusions

We will not pay for "loss" due and confined to:

- a. Wear and tear, freezing, mechanical or electrical breakdown.
- b. Blowouts, punctures or other road damage to tires.

This exclusion does not apply to "loss" resulting from the total theft of a covered "auto".

C. Limit Of Insurance

The most we will pay for "loss" to any one "trailer" is the least of the following amounts:

1. The actual cash value of the damaged or stolen property at the time of the "loss".

2. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.
3. The Limit Of Insurance shown in the Declarations.

D. Deductible

For each covered "trailer", our obligation to pay:

1. The actual cash value of the damaged or stolen property as of the time of the "loss" will be reduced by the applicable deductible shown in the Declarations;
2. The cost of repairing or replacing the damaged or stolen property with property of like kind and quality will be reduced by the applicable deductible shown in the Declarations; or
3. The damages for "loss" that would otherwise be payable will be reduced by the applicable deductible shown in the Schedule prior to the application of the Limit Of Insurance shown in the Declarations.

E. Additional Definitions

As used in this endorsement:

"Trailer" includes a semitrailer or a dolly used to convert a semitrailer into a trailer. But for Trailer Interchange Coverage only, "trailer" also includes a container.

UNDECLARED DRIVER EXCLUSION

This endorsement modifies insurance provided under the following:

CW PD CA 00 20 Motor Carrier Coverage Form – APD

1. The following definitions apply to this endorsement:

a. **Undeclared driver** means any driver not listed on the Driver Schedule.

2. The following condition is added to the policy:

It is a condition of the policy that you declare all drivers to the company at or before the inception date of the policy or immediately upon hire.

Failure to immediately declare the driver will result in the denial of coverage for a loss to a covered vehicle which they are driving or operating or is under their care, custody or control.

3. The following exclusion is added to the policy:

This insurance does not apply to any loss involving a covered vehicle while being driven or operated by or under the care, custody or control of any undeclared driver.

All other policy terms and conditions remain unchanged.

CW CA 402 11 20

State Fraud Warnings

State	Fraud Warning
AK	A person who knowingly and with intent to injure, defraud, or deceive an insurance company files a claim containing false, incomplete, or misleading information may be prosecuted under state law.
AL	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution, fines, or confinement in prison, or any combination thereof.
AR	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
AZ	For your protection Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties
CA	For your protection California law requires the following to appear on this form: Any person who knowingly presents false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.
CO	It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable for insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

State	Fraud Warning
DC	WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.
DE	Any person who knowingly, and with intent to injure, defraud or deceive any insurer, files a statement of claim containing any false, incomplete or misleading information is guilty of a felony.
FL	Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim containing any false, incomplete, or misleading information is guilty of a felony of the third degree.
ID	Any person who knowingly, and with intent to defraud or deceive any insurance company, files a statement of claim containing any false, incomplete, or misleading information is guilty of a felony.
IN	A person who knowingly and with intent to defraud an insurer files a statement of claim containing any false, incomplete, or misleading information commits a felony.
KY	Any person who knowingly and with intent to defraud any insurance company or other person files a statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.
LA	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
MD	Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

State	Fraud Warning
ME	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.
MN	A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.
NH	Any person who, with a purpose to injure, defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20.
NJ	Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.
NM	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.
NY	<p>Commercial insurance warning: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.</p> <p>Automobile insurance warning: Any person who knowingly and with intent to defraud any insurance company or other person files an application for commercial insurance or a statement of claim for any commercial or personal insurance benefits containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, and any person who, in connection with such application or claim, knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation.</p> <p>General fraud warning: Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits</p>

State	Fraud Warning
	a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation.
OH	Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.
OK	WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.
OR	Any person who knowingly and with intent to defraud an insurance company files a claim containing any materially false information may be subject to prosecution for insurance fraud.
PA	<p>General fraud warning: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.</p> <p>Motor vehicle insurance fraud warning: Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and payment of a fine of up to \$15,000.</p>
RI	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinements in prison.
TN	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

State	Fraud Warning
VA	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
WA	It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.
WV	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE: CLAIM REPORTING INSTRUCTIONS

In the event of a claim: losses should be immediately reported by the insured or agent via email.

Email for New Claims:

AUSLtdAdmin@us.davies-group.com

-or-

For Assistance by Phone, Please Call:

(888) 767-6897

(888) 271-2119

(512) 806-1413

(877) 467-1757

Please be sure to state the policy number and named insured to assist in prompt handling of the claim.

Your Policy Number: CW5338728-00

In addition: in the event of a Comprehensive or Collision Claim:

- If your truck, tractor or trailer are currently incurring storage fees, it is your duty to mitigate the loss and move the unit(s) to a storage fee-free facility.
- Do not remove or repair any parts from the unit(s).

SURPLUS LINES DISCLOSURE

<p>Diligent Search Affidavit</p>	<p>Your licensed insurance broker declared that they made a thorough and diligent effort to procure the insurance coverage described above from licensed insurers which are authorized to transact the kind of insurance involved and which provide, in the usual course of business, coverage comparable to the coverage being sought and have been unable to procure said insurance.</p> <p>Your licensed insurance broker have documented a declination of coverage from at least three admitted insurers. They further declare that at the time of presenting a quotation to the insured, the insured was given notice in writing, either directly or through the producer, that the insurer with whom the insurance is to be placed is not admitted to transact business in this State and is subject to limited regulation by the Department of Insurance; and in the event of the insolvency of the insurer, losses will not be paid by any Insurance Guaranty Association or fund.</p> <p>We provide this insurance based on the producer acknowledging they have attempted to procure an authorized/admitted insurer quote.</p>
<p>Alabama</p>	<p>This contract is registered and delivered as a surplus line coverage under the Alabama Surplus Line Insurance Law.</p>
<p>Alaska</p>	<p>ALASKA POLICY HOLDER NOTICE 3 AAC 25.050 This policy is issued by a nonadmitted or surplus lines insurer. Insurance may only be purchased from nonadmitted insurers if the full amount, kind, or class of insurance cannot be obtained from insurers who are admitted to do business in the State of Alaska. Your broker or the surplus lines broker has determined that this was true on the date the policy was placed. Before issuing a renewal policy or extending this policy, remarketing is required. To avoid intentional or unintentional extension of coverage in the surplus lines market when an admitted market for that coverage exists, a nonadmitted insurer is prohibited from the automatic renewal or extension of a policy without remarketing by your broker or the surplus lines broker. In order to comply with the Alaska Administrative Code, the following notice is given: You are hereby notified that, under 3 AAC 25.050, your policy will terminate effective no later than the date and time of its expiration. We reserve the right to cancel this policy sooner than the expiration date by giving you notice of cancellation as required in AS 21.36.220. You may request through your broker that a new policy from the surplus lines broker be concurrent with the effective date of the termination of this policy. You are also notified that a new policy, if issued by us, is subject to rerating, which may result in a premium increase of more than ten percent (10%). As required by 3 AAC 25.050, you are hereby notified that any subsequent policy issued by us may be subject to a ten percent (10%) or more increase in premium. The actual premium will be based upon rates that apply at the time a subsequent policy, if any, is issued and will be made available to you before the effective date of the new policy, or the date subsequent coverage is bound, whichever occurs first.</p>
<p>Arizona</p>	<p>Any policy and any evidence of surplus lines coverage that is issued by an unauthorized insurer and that is issued for delivery to the insured must contain a conspicuously stamped or written notice in bold faced type that states one of the following: “1. The surplus lines policy or evidence of coverage is issued by a surplus lines insurer that is not a domestic surplus lines insurer: Pursuant to</p>

	<p>section 20-401.01, subsection B, paragraph 1, Arizona Revised Statutes, this policy is issued by an insurer that does not possess a certificate of authority from the director of the Arizona Department of Insurance. If the insurer that issued this policy becomes insolvent, insureds or claimants will not be eligible for insurance guaranty fund protection pursuant to title 20, Arizona Revised Statutes. 2. The surplus lines policy or evidence of coverage is issued by a domestic surplus lines insurer: if the insurer that issued this policy becomes insolvent, insureds or claimants will not be eligible for insurance guaranty fund protection pursuant to title 20, Arizona Revised Statutes.</p>
Arkansas	<p>This contract is registered and delivered as a surplus line coverage under the Surplus Lines Insurance Law, and it may in some respects be different from contracts issued by insurers in the admitted markets, and, accordingly, it may, depending upon the circumstances, be more or less favorable to an insured than a contract from an admitted carrier might be. The protection of the Arkansas Property and Casualty Guaranty Act does not apply to this contract. A tax of four percent (4%) is required to be collected from the insured on all surplus lines premiums.</p>
California	<p>IMPORTANT NOTICE: 1. THE INSURANCE POLICY THAT YOU [HAVE PURCHASED] [ARE APPLYING TO PURCHASE] IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS. 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS. 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED. 4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE TOLL-FREE NUMBER 1-800-927-4357 OR INTERNET WEBSITE WWW.INSURANCE.CA.GOV. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NONUNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO VISIT THE NAIC'S INTERNET WEBSITE AT WWW.NAIC.ORG. THE NAIC—THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS—IS THE REGULATORY SUPPORT ORGANIZATION CREATED AND GOVERNED BY THE CHIEF INSURANCE REGULATORS IN THE UNITED STATES. 5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE'S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER. YOU CAN FIND A LINK TO EACH STATE FROM THIS NAIC INTERNET WEBSITE: HTTPS://NAIC.ORG/STATE_WEB_MAP.H TM. 6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NONUNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION</p>

	<p>ABOUT THAT INSURER. 7. CALIFORNIA MAINTAINS A “LIST OF APPROVED SURPLUS LINE INSURERS (LASLI).” ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEBSITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV/01-CONSUMERS/120-COMPANY/07-LASLI/LASLI.CFM. 8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE EFFECTIVE IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER’S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.</p>
Colorado	<p>This contract is delivered as surplus line coverage under the Nonadmitted Insurance Act. The insurer issuing this contract is not licensed in Colorado but is an eligible nonadmitted insurer. There is no protection under the provisions of the Colorado Insurance Guaranty Association Act.</p>
Connecticut	<p>NOTICE THIS IS A SURPLUS LINES POLICY AND IS NOT PROTECTED BY THE CONNECTICUT INSURANCE GUARANTY ASSOCIATION OR SUBJECT TO REVIEW BY THE CONNECTICUT INSURANCE DEPARTMENT. IT IS IMPORTANT THAT YOU READ AND UNDERSTAND THIS POLICY.</p>
Delaware	<p>This insurance contract is issued pursuant to the Delaware Insurance Laws by an insurer neither licensed by nor under the jurisdiction of the Delaware Insurance Department. This insurer does not participate in insurance guaranty funds created by state law. In the event of the insolvency of the surplus lines insurer, losses will not be paid by the state insurance guaranty fund.</p>
Dist Columbia	<p>DC insurance statutes and regulations do not address disclosure requirements in surplus lines policies. However, under the Unfair Trade Act (the “Act”), a notice should be provided or the company could be in violation of the Act</p>
Florida	<p>THIS INSURANCE IS ISSUED PURSUANT TO THE FLORIDA SURPLUS LINES LAW. PERSONS INSURED BY SURPLUS LINES CARRIERS DO NOT HAVE THE PROTECTION OF THE FLORIDA INSURANCE GUARANTY ACT TO THE EXTENT OF ANY RIGHT OF RECOVERY FOR THE OBLIGATION OF AN INSOLVENT UNLICENSED INSURER.</p>
Georgia	<p>This contract is registered and delivered as a surplus line coverage under the Surplus Line Insurance Law, O.C.G.A. Chapter 33-5.</p>
Hawaii	<p>This insurance contract is issued by an insurer which is not licensed by the State of Hawaii and is not subject to its regulation or examination. If the insurer is found insolvent, claims under this contract are not covered by any guaranty fund of the State of Hawaii.</p>
Idaho	<p>THIS SURPLUS LINES CONTRACT IS ISSUED PURSUANT TO THE IDAHO</p>

	INSURANCE LAWS BY AN INSURER NOT LICENSED BY THE IDAHO DEPARTMENT OF INSURANCE. THERE IS NO COVERAGE PROVIDED FOR SURPLUS LINE INSURANCE BY EITHER THE IDAHO INSURANCE GUARANTY ASSOCIATION OR BY THE IDAHO LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION.
Illinois	Notice to Policyholder: This contract is issued, pursuant to Section 445 of the Illinois Insurance Code, by a company not authorized and licensed to transact business in Illinois and as such is not covered by the Illinois Insurance Guaranty Fund
Indiana	This insurance contract is issued by an insurer which is not licensed by the State of Indiana and is not subject to its regulation or examination. If the insurer is found insolvent, claims under this contract are not covered by any guaranty fund.
Iowa	This policy is issued, pursuant to Iowa Code section 515.120, by a nonadmitted company in Iowa and as such is not covered by the Iowa Insurance Guaranty Association.
Kansas	This policy is issued by an insurer not authorized to do business in Kansas and, as such, the form, financial condition and rates are not subject to review by the Commissioner of insurance and the insured is not protected by any guaranty fund.
Kentucky	This insurance has been placed with an insurer not licensed to transact business in the Commonwealth of Kentucky but eligible as a surplus lines insurer. The insurer is not a member of the Kentucky Insurance Guaranty Association. Should the insurer become insolvent, the protection and benefits of the Kentucky Insurance Guaranty Association are not available.
Louisiana	NOTICE This insurance policy is delivered as surplus line coverage under the Louisiana Insurance Code. In the event of insolvency of the company issuing this contract, the policyholder or claimant is not covered by the Louisiana Insurance Guaranty Association or the Louisiana Life and Health Insurance Guaranty Association, which guarantees only specific types of policies issued by insurance companies authorized to do business in Louisiana. This surplus lines policy has been procured by the following licensed Louisiana surplus lines broker:
Maine	This insurance contract is issued pursuant to the Maine Insurance Laws by an insurer neither licensed by nor under the jurisdiction of the Maine Bureau of Insurance.
Maryland	This insurance is issued by a nonadmitted insurer not under the jurisdiction of the Maryland Insurance Commissioner"; and (b) accompanied by a written disclosure, as prescribed by the commissioner of insurance, that the insurer does not possess a certificate of authority from the commissioner of insurance to engage in the insurance business in Maryland.
Massachusetts	Assured must sign affidavit (Form BR-7), which must also be signed by broker, stating that he was informed by his insurance broker that the type and amount of insurance could be obtained from insurer's not admitted in Massachusetts and that: the surplus lines insurer with whom the insurance was placed is not licensed in Massachusetts and is not subject to Massachusetts regulations; and in the event of the insolvency of the surplus lines insurer, losses will not be paid by

	the state insurance guaranty fund.
Michigan	This insurance has been placed with an insurer that is not licensed by the state of Michigan. In case of insolvency, payment of claims may not be guaranteed
Minnesota	<p>THIS INSURANCE IS ISSUED PURSUANT TO THE MINNESOTA SURPLUS LINES INSURANCE ACT. THE INSURER IS AN ELIGIBLE SURPLUS LINES INSURER BUT IS NOT OTHERWISE LICENSED BY THE STATE OF MINNESOTA. IN CASE OF INSOLVENCY, PAYMENT OF CLAIMS IS NOT GUARANTEED.</p> <p>Minn. Stat. Ann § 60A. 209 requires that the above notice be stamped in red ink on policies that are procured with ineligible surplus lines insurers</p>
Mississippi	NOTE: This insurance policy is issued pursuant to Mississippi law covering surplus lines insurance. The company issuing the policy is not licensed by the State of Mississippi, but is authorized to do business in Mississippi as a nonadmitted company. The policy is not protected by the Mississippi Insurance Guaranty Association in the event of the insurer's insolvency.
Missouri	This is evidence of insurance procured and developed under the Missouri Surplus Lines Laws. It is NOT covered by the Missouri Insurance Guaranty Association. This insurer is not licensed by the state of Missouri and is not subject to its supervision.
Montana	§ 33-2-321 of the Montana Insurance Code, issued in an unauthorized insurer under The Surplus Lines Insurance Law, under surplus lines insurance producer's license No." and "NOT covered by the property and casualty guaranty fund of this state if the unauthorized insurer becomes insolvent.
Nebraska	This policy is issued by a nonadmitted insurer, and in the event of the insolvency of such insurer, this policy will not be covered by the Nebraska Property and Liability Insurance Guaranty Association.
Nevada	This insurance contract is issued pursuant to the Nevada insurance laws by an insurer neither licensed by nor under the supervision of the Division of Insurance of the Department of Business and Industry of the State of Nevada. If the insurer is found insolvent, a claim under this contract is not covered by the Nevada Insurance Guaranty Association Act.
New Hampshire	The company issuing this policy has not been licensed by the state of New Hampshire and the rates charged have not been approved by the commissioner of insurance. If the company issuing this policy becomes insolvent, the New Hampshire insurance guaranty fund shall not be liable for any claims made against the policy.
New Jersey	This policy is written by a surplus lines insurer and is not subject to the filing or approval requirements of the New Jersey Department of Banking and Insurance. Such a policy may contain conditions, limitations, exclusions and different terms than a policy issued by an insurer granted a Certificate of Authority by the New Jersey Department of Banking and Insurance. The insurer has been approved by the Department as an eligible surplus lines insurer, but the policy is not covered by the New Jersey Insurance Guaranty Fund, and only a policy of medical malpractice liability insurance as defined in N.J.S.A. 17:30D-3d or a policy of property insurance

	covering owner-occupied dwellings of less than four dwelling units are covered by the New Jersey Surplus Lines Guaranty Fund.
New Mexico	This policy provides surplus lines insurance by an insurer not otherwise authorized to transact business in New Mexico. This policy is not subject to supervision, review or approval by the superintendent of insurance. The insurance so provided is not within the protection of any guaranty fund law of New Mexico designed to protect the public in the event of the insurer's insolvency.
New York	THE INSURER(S) NAMED HEREIN IS (ARE) NOT LICENSED BY THE STATE OF NEW YORK, NOT SUBJECT TO ITS SUPERVISION, AND IN THE EVENT OF THE INSOLVENCY OF THE INSURER(S), NOT PROTECTED BY THE NEW YORK STATE SECURITY FUNDS. THE POLICY MAY NOT BE SUBJECT TO ALL OF THE REGULATIONS OF THE DEPARTMENT OF FINANCIAL SERVICES PERTAINING TO POLICY FORMS.
North Carolina	The insurance company with which this coverage has been placed is not licensed by the State of North Carolina and is not subject to its supervision. In the event of the insolvency of the insurance company, losses under this policy will not be paid by any State insurance guaranty or solvency fund.
North Dakota	Notice: 1. an insurer that is not licensed in this state is issuing the insurance policy that you have applied to purchase. These companies are called "nonadmitted" or "surplus lines" insurers. 2. The insurer is not subject to the financial solvency regulation and enforcement that applies to licensed insurers in this state. 3. These insurers generally do not participate in insurance guaranty funds created by state law. These guaranty funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised. 4. Some states maintain lists of approved or eligible surplus lines insurers and surplus lines producers may use only insurers on the lists. Some states issue orders that particular surplus lines insurers cannot be used. 5. For additional information about the above matters and about the insurer, you should ask questions of your insurance producer or surplus lines producer. You may also contact your insurance department consumer help line.
Ohio	THE INSURANCE HEREBY EVIDENCED IS WRITTEN BY AN APPROVED NONLICENSED INSURER IN THE STATE OF OHIO AND IS NOT COVERED IN CASE OF INSOLVENCY BY THE OHIO INSURANCE GUARANTY ASSOCIATION.
Oklahoma	<p>Insurance contracts procured as surplus lines coverage are not subject to the protection of any guaranty association in the event of liquidation or receivership of the insurer.</p> <p>Insurance may not be procured from unauthorized insurers in Oklahoma unless the interest of the insured cannot be procured from authorized insurers after direct inquiry to such insurers by a licensed surplus lines broker.</p>
Oregon	This insurance was procured and developed under the Oregon surplus lines laws. It is NOT covered by the provisions of ORS 734.510 to 734.710 relating to the Oregon Insurance Guaranty Association. If the insurer issuing this insurance becomes insolvent, the Oregon Insurance Guaranty Association has no obligation to pay claims under this insurance.

Pennsylvania	The insurer which has issued this insurance is not licensed by the Pennsylvania Insurance Department and is subject to limited regulation. This insurance is NOT covered by the Pennsylvania Property and Casualty Insurance Guaranty Association."
Puerto Rico	All or a number of the insurers participating in this insurance have not been authorized to transact business in Puerto Rico nor approved as surplus line insurers by the Commissioner of Insurance of this Commonwealth. The transaction of this insurance by a licensed surplus line insurance broker shall not be construed to mean that the Commissioner of Insurance of Puerto Rico approves of such insurer.
Rhode Island	NOTICE THIS INSURANCE CONTRACT HAS BEEN PLACED WITH AN INSURER NOT LICENSED TO DO BUSINESS IN THE STATE OF RHODE ISLAND BUT APPROVED AS A SURPLUS LINES INSURER. THE INSURER IS NOT A MEMBER OF THE RHODE ISLAND INSURERS INSOLVENCY FUND. SHOULD THE INSURER BECOME INSOLVENT, THE PROTECTION AND BENEFITS OF THE RHODE ISLAND INSURERS INSOLVENCY FUND ARE NOT AVAILABLE.
South Carolina	This company has been approved by the director or his designee of the South Carolina Department of Insurance to write business in this State as an eligible surplus lines insurer, but it is not afforded guaranty fund protection.
South Dakota	THIS INSURANCE CONTRACT IS ISSUED BY A NON-ADMITTED INSURER WHICH IS NOT LICENSED BY NOR UNDER THE JURISDICTION OF THE SOUTH DAKOTA INSURANCE DIRECTOR
Tennessee	This insurance contract is with an insurer not licensed to transact insurance in this state and is issued and delivered as a surplus line coverage pursuant to the Tennessee insurance statutes.
Texas	This insurance contract is with an insurer not licensed to transact insurance in this state and is issued and delivered as surplus line coverage under the Texas insurance statutes. The Texas Department of Insurance does not audit the finances or review the solvency of the surplus lines insurer providing this coverage, and the insurer is not a member of the property and casualty insurance guaranty association created under Chapter 462, Insurance Code. Chapter 225, Insurance Code, requires payment of a 4.85% percent tax on gross premium.
Utah	The insurer issuing this policy does not hold a certificate of authority to do business in this state and thus is not fully subject to regulation by the Utah insurance commissioner. This policy receives no protection from any of the guaranty associations created under Chapter 28, Title 31A.
Vermont	The company issuing this policy has not been licensed by the state of Vermont and the rates charged have not been approved by the commissioner of insurance. Any default on the part of the insurer is not covered by the Vermont Insurance Guaranty Association.
Virginia	The policy is being procured from or has been placed with an insurer approved by the Commission for issuance of surplus lines insurance in this Commonwealth, but not licensed or regulated by the Commission and that there is no protection under the Virginia Property and Casualty Insurance Guaranty Association against financial

	loss to claimants or policyholders because of the insolvency of an unlicensed insurer.
Washington	This contract is registered and delivered as a surplus line coverage under the insurance code of the state of Washington, Title 48RCW. It is not protected by any Washington state guaranty association law.
West Virginia	<p>Notice: 1. An insurer that is not licensed in this state is issuing the insurance policy that you have applied to purchase. These companies are called "nonadmitted" or "surplus lines" insurers. 2. The insurer is not subject to the financial solvency regulation and enforcement that applies to licensed insurers in this state. 3. These insurers generally do not participate in insurance guaranty funds created by state law. These guaranty funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised. 4. Some states maintain lists of approved or eligible surplus lines insurers and surplus lines brokers may use only insurers on the lists. Some states issue orders that particular surplus lines insurers cannot be used. 5. For additional information about the above matters and about the insurer, you should ask questions of your insurance agent or surplus lines licensee. You may also contact your insurance commission consumer help line.</p> <p>THIS COMPANY IS NOT LICENSED TO DO BUSINESS IN WEST VIRGINIA AND IS NOT SUBJECT TO THE WEST VIRGINIA INSURANCE GUARANTY ACT.</p>
Wisconsin	This insurance contract is with an insurer which has not obtained a certificate of authority to transact regular insurance business in the state of Wisconsin, and is issued and delivered as a surplus line coverage pursuant to s. 618.41 of the Wisconsin Statutes. Section 618.43(1), Wisconsin Statutes, requires payment by the policyholder of 3% tax on gross premium.
Wyoming	This insurance contract is issued pursuant to the Wyoming Insurance Laws by an insurer neither licensed by nor under the jurisdiction of the Wyoming Insurance Department. In the event of insolvency of the surplus lines insurer, losses will not be paid by the Wyoming Insurance Guaranty Association." (W.S. § 26-11-109(a))