



EMET INTERNATIONAL INSURANCE LLC

www.emetinsurance.net | 4995 NW. 72nd Ave, Suite 409 - Miami - Florida 33166
Ph: (786) 614-6217

FREIGHT FORWARDERS LEGAL LIABILITY (TRANSPORTATION BROKERS/CUSTOMS HOUSE BROKERS)

Policy No.:

Effective:

Endorsement No.:

1. INSURED

"As per Declaration Page" and Executive Officers, Directors or Partners while acting within the scope of their duties as such. With respect to Notice of Cancellation, when said notice is sent to the Named Insured it shall be deemed as sent to all parties herein.

2. ATTACHMENT

To attach on all shipments arranged by the Insured during the period of insurance as specified in the schedule.

3. COVERAGE

In consideration of the premium charged, it is understood that this Company agrees, subject to all terms and conditions herein, to the following:

- (a) To pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay by reason of liability imposed upon them as a Freight Forwarder, Transportation Broker and Customs House Broker for loss or destruction of or damage to personal property of others consisting of shipments of lawful goods and merchandise for which the Insured arranges transportation as an intermediary.
- (b) To pay the reasonable expenses incurred by or on behalf of the Insured when in case of actual or imminent loss or damage, it shall be lawful and necessary for the Insured, their factors, or assigns to sue, labor and travel for, in and about the defense, safeguard and recovery of the property insured hereunder, or in part thereunder, without prejudice to this insurance; nor shall the acts of the Insured or the Company in recovering, saving and preserving the property insured in case of loss or damage be considered a waiver or acceptance of an abandonment.
- (c) To defend claims or suits brought against the Insured seeking damages payable under this policy, even if such suits are groundless, false or fraudulent and: (a) Pay premiums on bonds or appeal bonds required in a defended suit; (b) pay all costs taxed against the Insured in said suit and interest accruing after entry of judgment until Insurer have paid or deposited applicable portion of the judgment without exceeding the limit of the Insurer's liability; (c) pay reasonable expenses excluding loss of earnings incurred by the Insured at request of the Insurer.
- (d) To investigate all claims against the Insured for actual or alleged loss or destruction of or damage to property as defined in Clause 3(a) above, and for which the liability of the Insured is covered under this Policy.

4. LIMITS OF LIABILITY

The liability of this Company either in case of loss, defense costs or expenses or all combined arising out of any one occurrence shall not exceed the following limits:

- | | |
|----------------------------|-----------------------------------|
| (a) Any one Vessel; | \$ <i>As per Declaration Page</i> |
| (c) Any one Aircraft; | \$ <i>As per Declaration Page</i> |
| (d) Any one Motor Vehicle; | \$ <i>As per Declaration Page</i> |



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|---|-----------------------------------|
| (e) Any one Train; | \$ <i>As per Declaration Page</i> |
| (g) Temporarily stored in due course of transit (60 day maximum): | \$ <i>As per Declaration Page</i> |

Where no limit of liability is provided for a specific conveyance on the Declaration Page the liability of the Insured for shipments under such conveyance shall not be covered under this Policy.

5. STORAGE IN THE ORDINARY COURSE OF TRANSIT

Cover shall be provided for storage in the ordinary course of transit up to 60 days, provided the Insured has exercised due diligence to ensure that any location shall be suitable taking into account the type, nature and value of the cargo.

6. DEDUCTIBLES

All claims for loss or damage to covered property including all cost and expenses as specified herein are subject to a ***As per Declaration Page*** deductible per any one occurrence.

7. SPECIAL CONDITIONS

- (a) The Insured shall cooperate with the Company in facilitating the investigation and disposition of claims and suits and, upon the Company's request shall attend hearings and trials and shall assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses, and in the conduct of suits. The Company agrees to reimburse the Insured for all reasonable expenses, other than the loss of earnings, incurred at the Company's request. The Insured shall not, except at his own cost, voluntarily assume any liability nor incur any expense, nor settle any claim without the written consent of the Company previously given. The Company reserves the right to settle any claim, suit or other proceeding, as it may deem expedient.
- (b) No action shall lie against the Company unless, as a condition precedent thereto, the Insured shall have fully complied with all the terms of this Policy, nor until the amount of the Insured's obligation to pay have been finally determined either by judgment against the Insured after actual trial or by written agreement of the Insured, the claimant and the Company.
 - (1) Any person, organization or legal representative thereof, who has secured such judgment or written agreement, shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by the Policy.
 - (2) Nothing contained in this Policy shall give any person or organization any right to join the Company as a co-defendant in any action against the Insured.
 - (3) Bankruptcy or insolvency of the Insured or of the Insured's estate shall not relieve the Company of any of its obligations hereunder.
- (c) Insurance afforded by this Policy shall be excess of any other insurance or bond available to the Insured, which would apply in the absence of this Policy.
- (d) The Insured agrees that any authorized representative of this Company shall be permitted to inspect any property used in conjunction with the Insured's business at all reasonable times during the life of this Policy. Such inspections shall not waive or in any manner affect any of the terms, conditions or limitations of this Policy.



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8. DEBRIS REMOVAL CLAUSE

This Policy is extended to reimburse the Insured, in addition to any other amount recoverable hereunder, for extra expense reasonably incurred for the removal and disposal of debris of subject matter insured, or part thereof, damaged or destroyed by the operation of and insured peril, but excluding absolutely:

- a) Any expense incurred in consequence of or to prevent or mitigate pollution or contamination, or any threat thereof or liability thereof; and / or
- b) The cost of removal of cargo from any vessel or craft.

In no case, shall we be liable under this clause for more than 10% of the proportionate value of the damaged Subject Matter Insured, subject to a maximum of \$250,000 any one occurrence and in the annual aggregate.

9. SUBROGATION

If, in the event of loss or damage, the Insured shall acquire any right of action against any individual, firm or corporation for loss of, or damage to property covered hereunder, the Insured will if requested by the Company, or at its option, execute and deliver to the Company the customary form of loan receipt upon receiving any advance of funds in respect of the loss or damage; and will subrogate the Company to, or will hold in trust for the Company, all such rights of action to the extent of the amount paid or advance, and will permit suit to be brought in the Insured's name under the direction of and at the expense of the Company.

This insurance shall not be invalidated should the Insured waive in writing, prior to loss, any or all rights of recovery against any party for loss occurring to the property with respect to which the Insured's liability is insured hereunder.

10. CONTINGENT PROVISIONS

As respects property in transit, the Company shall not be liable for loss under this Policy until all reasonable efforts to collect, from the carriers and/or bailee contracted by the Insured, have been exhausted or until the carriers and/or bailee have denied liability or claim inability to pay.

11. ASSIGNMENT

No assignment of interest under this Policy shall bind the Company unless its consent is endorsed hereon. If the Insured shall be adjudged bankrupt or insolvent during the Policy period and written notice thereof shall be given the Company within thirty (30) days thereafter, the insurance hereunder shall continue in favor of the legal representatives of the Insured while this Policy remains in force.

12. NOTICE OF LOSS

The Insured shall as soon as practicable report to this Company or its agent every loss or damage which may become a claim hereunder and shall also file with the Company a detailed sworn proof of loss. All adjusted claims shall be due and payable thirty (30) days after the presentation and acceptance of proofs of loss at this Company's address.

13. CONFLICT OF WORDING

The conditions contained in this form shall supersede those of the any policy to which this form might attach wherever the same may conflict.

14. AUTOMATIC REINSTATEMENT

No loss paid hereunder shall serve to reduce the limits of this coverage section.



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15. GEOGRAPHICAL SCOPE

This Policy covers the legal liability of the Insured for loss or damage as defined in Clause 3(a) above while in transit anywhere within the United States of America, Puerto Rico and Canada or while in transit from points or places in the world to point or places in the world by air or ocean conveyance subject to the terms and conditions specified elsewhere in this Policy except to the extent coverage is prohibited by United States of America law or United States of America governmental decree and/or sanction.

16. EXCLUSIONS

Unless otherwise agreed and endorsed by the Insurer the following exclusions shall apply.

- (a) Loss, damage, delay or other result caused by an act, omission or order of the shipper.
- (b) Loss or damage caused by insects, moths, vermin and ordinary wear and tear.
- (c) Loss or damage due to any defect or inherent vice of the article, including susceptibility to damage because of atmospheric conditions such as temperature and humidity or changed therein; unless the Insured or carrier has received instructions to protect against such atmospheric conditions.
- (d) Loss, damage or delay or other result caused by the perils of the War Risk Exclusion and Nuclear Clauses forming a part of this Policy.
- (e) Loss, damage or delay caused by strikes, lockouts, labor disturbances, riots, civil commotions, or the acts of any person or persons taking part in any such occurrence or disorder.
- (f) Loss, damage delay or other result caused by Acts of God.
- (g) For breakage of china, glassware, bric-a-brac or similar articles of brittle or fragile nature unless packed by the carrier or unless such breakage results from negligence of the carrier.
- (h) Condition or flavor or perishable articles, including frozen foods or other articles requiring refrigeration; unless the Insured or carrier has received instructions to protect against thawing, defrosting and only when caused by failure or derangement of the reefer container's machinery.
- (i) Documents, currency, money, jewelry, watches, precious stones, or articles of extraordinary value which are not specifically listed on the bill of lading.
- (j) Loss or damage caused by or resulting from infidelity or dishonest act of the Insured or of the Insured's employees as well as mysterious disappearances from locations owned or leased by the Insured.
- (k) Loss Arising out of the ownership or operation by the Insured of vessels, motor vehicles or aircrafts.
- (l) Liability assumed under any contract or agreement, to hold harmless or indemnify others, unless such liability would have arisen irrelevant of such agreement.
- (m) Fines, Penalties or punitive damage brought against the Insured. However, in cases where such penalties are part of a loss which would have been covered under Clause 3 above, defense shall be offered without the Company being liable for the payment of such Fines, Penalties or Punitive Damages.

15. CONTRACTS



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With regards to transportation contracts between the Insured and the Shipper it is hereby warranted that the Insurer must retain copy of templates to be approved at inception and must approve all changes applicable to the liability section of such contracts if such are amended during the policy period.

16. PARAMOUNT WARRANTIES

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

- A. F. C. & S. Warranty:** Notwithstanding anything herein contained to the contrary, this insurance is warranted free from:
- (1) capture, seizure, arrest, restraint, detainment, confiscation, preemption, requisition or nationalization, and the consequences thereof or any attempt thereat, whether in time of peace or war and whether lawful or otherwise;
 - (2) all loss, damage or expense, whether in time of peace or war, caused by:
 - (a) any weapon of war employing atomic or nuclear fission and/or fusion or other reaction or radioactive force or matter or
 - (b) any mine or torpedo;
 - (3) all consequences of hostilities or warlike operations (whether there be a declaration of war or not), but this warranty shall not exclude collision or contact with aircraft, or with rockets or similar missiles (other than weapons of war) or with any fixed or floating object (other than a mine or torpedo), stranding, heavy weather, fire or explosion unless caused directly (and independently of the nature of the voyage or service which the vessel concerned or, in the case of a collision, any other vessel involved therein, is performing) by a hostile act by or against a belligerent power; and for the purposes of this warranty "power" includes any authority maintaining naval, military or air forces in association with a power;
 - (4) the consequences of civil war, revolution, rebellion, insurrection, or civil strife arising therefrom; or from the consequences of the imposition of martial law, military or usurped power; or piracy.
- B. S.R.&C.C. (Strikes, Riots and Civil Commotions) Warranty:** Warranted free from loss, damage or expense caused by or resulting from:
- (1) strikes, lockouts, labor disturbances, riots, civil commotions, or the acts of any person or persons taking part in any such occurrences or disorders,
 - (2) vandalism, sabotage or malicious act, which shall be deemed also to encompass the act or acts of one or more persons, whether or not agents of a sovereign power, carried out for political, terroristic or ideological purposes and whether any loss, damage or expense resulting therefrom is accidental or intentional.
- C. Nuclear Exclusion:** This policy shall not apply to any loss, damage, liability or expense due to or arising out of, whether directly or indirectly, nuclear reaction, radiation, or radioactive contamination, regardless of how it was caused. However, subject to all provisions of this policy, if this policy insures against fire, then direct physical damage to the goods insured located within the United States, or any territory of the United States, or Puerto Rico by fire directly caused by the above excluded perils, is insured, provided that the nuclear reaction, radiation, or radioactive contamination was not caused, whether directly or indirectly, by any of the perils excluded by the F.C.&S. Warranty of this policy. Nothing in this policy shall be construed to cover any loss, damage, liability or expense caused by nuclear reaction, radiation or radioactive contamination arising directly or indirectly from the fire mentioned above.



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D. Chemical, Biological, Bio-chemical and Electromagnetic Exclusion Clause:

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

E. Extended Radioactive Contamination Exclusion Clause:

In no case shall this insurance cover loss damage liability or expense directly or indirectly cause by or contributed to:

- i. ionizing radiations from or contamination by radioactivity from any nuclear fuel from any nuclear waste or from the combustion of nuclear fuel;
- ii. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- iii. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- iv. 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, scientific or other similar peaceful purposes.

HOWEVER,

if fire is an insured peril, and;

where the subject matter insured or, in the case of a reinsurance, the subject matter insured by the original insurance, is within the U.S.A., its islands, onshore territories or possessions, and;

a fire arises directly or indirectly from one or more of the causes detailed in Sub-Clauses i, ii and iv of the Extended Radioactive Contamination Exclusion Clause any physical loss or damage arising directly from that fire shall, subject to the provisions of this insurance, be covered, EXCLUDING however any loss damage liability or expense caused by nuclear reaction, nuclear radiation, or radioactive contamination arising directly or indirectly from that fire.

F. Institute Cyber Attack Exclusion Clause

- i. Subject only to Clause ii below, in no case shall this insurance cover loss damage liability or expense directly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any electronic system.
- ii. Where this Clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 16.F.i. shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system computer software programme, or any electronic system in the launch and/o guidance system and/or firing mechanism of any weapon or missile.

G. Termination of Transit Clause (Terrorism)

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



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- i. Notwithstanding any provision to the contrary contained in the contract of insurance or the Clauses referred to therein, it is agreed that in so far as the contract of insurance covers loss of or damage to the subject-matter insured caused by any act of terrorism being an act of any person acting on behalf of, or in connection with, any organization which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted or any person acting from a political, ideological or religious motive, such cover is conditional upon the subject-matter insured being in the ordinary course of transit and, in any event, SHALL TERMINATE either:
 - A. As per the transit clauses contained within the contract of insurance or,
 - B. On completion of unloading from the carrying vehicle or other conveyance in or at the final warehouse or place of storage at the destination named in the contract of insurance or,
 - C. When the Assured or their employees elect to use any carrying vehicle or other conveyance or any container for storage other than in the ordinary course of transit or,
 - D. In respect of marine transits, on the expiry of 60 days after completion of discharge overseas of the subject-matter insured from the overseas vessel at the final port of discharge or,
 - E. In respect of air transits, on the expiry of 30 days after unloading the subject-matter insured from the aircraft at the final place of discharge.
- ii. If the contract of insurance or the Clauses referred to therein specifically provide cover for inland or other further transits following on from storage, or termination as provided for above, cover will re-attach, and continues during the ordinary course of that transit terminating again in accordance with clause i.

17. NOTICE OF CANCELLATION

This policy may be cancelled at any time by the Insured by surrender thereof to the Insurer or to a duly authorized agent of the Insurer or by mailing to the Insurer written notice stating when thereafter such cancellation shall be effective.

This policy may be cancelled by the Insurer by mailing to the Insured at the address shown in this policy or last known address written notice stating when, not less than thirty (30) days thereafter, such cancellation shall be effective. The mailing shall be sufficient proof of notice.

If the Insured fails to pay premium when due, this policy may be cancelled by the Insurer by giving the Insured not less than fifteen (15) days written notice.

The date of the Insured's surrender or the effective date of the Insurer's cancellation stated in the notice shall become the new expiration date of the Policy Term. Delivery of such written notice either by the Insured or by the Insurer shall be equivalent to mailing.

The Named Insured in the Declaration Page is the sole agent for all Insureds and/or Additional Named Insureds in tendering and receiving cancellation notices.

All notices of cancellation to the Insurer shall be addressed to the Insurer listed on the Declarations page of this policy.

18. ATTACHED CONDITIONS

Terms and conditions regarding additional coverages or limitations attached to this Policy shall supersede those of this form unless otherwise specified therein.

19. PREMIUM



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In consideration for coverage provided herein the premium charge shall be: ***As per Declaration Page.***

20. OTHER INSURANCE

In case the goods hereby insured are covered by other insurance (except as hereinafter provided) the loss shall be collected from the several policies in order of the date of their attachment, insurance attaching on the same date to be deemed simultaneous and to contribute pro rata; provided, however, that where any fire insurance, or other insurance (including fire) taken out by any carrier or bailee (other than the Insured) is available to the beneficiary of this policy, or would be so available if this insurance did not exist, then this insurance shall be void to the extent that such other insurance is or would be so available if this insurance did not exist, then this insurance shall be void to the extent that such other insurance is or would have been available. It is agreed, nevertheless, that where the Insurer is thus relieved of liabilities because of the existence of other insurance, the Insurer shall receive and retain the premium payable under this policy and, in consideration thereof, shall guarantee the solvency of the companies and/or underwriters who issue such other insurance and the prompt collection of the loss thereunder to the same extent (only) as the Insurer shall have been relieved of liability under the terms of this clause, but not exceeding, in any case, the amount which would have been collectible under this policy if such other insurance did not exist.

21. SUIT OR ACTION

No suit or action by the Insured 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 insurance, nor unless same shall be commenced within twelve (12) months next after the happening of the physical loss or damage, provided that where such limitation of time is prohibited by the laws of the State wherein this policy is issued, then no such suit or action shall be sustainable unless commenced within the shortest limitation of time permitted by the laws of such state.

22. CHOICE OF LAW

It is hereby agreed that any dispute arising hereunder shall be adjudicated according to substantive United States Federal Admiralty law and practice but where no such law and practice exists, this policy is subject to the substantive laws of the State of New York.

23. INSPECTION OF RECORDS

It is mutually agreed that the Insurer may examine and audit the books and records of the Insured as far as they relate to the subject matter of this insurance, at any time during the policy period and extensions thereof and within twelve (12) months after termination of this policy.