

PACKAGE PROTECTION PROGRAM OCEAN MARINE INSURANCE POLICY

Throughout this policy, the words “you” and “your” refer to the Named Insured shown on the Declarations Page. The words “we”, “us”, and “our” refer to the Company providing this insurance.

I. INSURING AGREEMENT

We will cover your liability for losses to **covered property** as described in this Policy in return for the premium and compliance with all provisions of this Policy including applicable endorsements and the Declarations Page, which are attached to and made part of this Policy.

II. COVERAGE

Coverage provided by this Policy covers a **package** from all risks of physical loss or damage from an external cause (subject to the exclusions listed below) while in transit. Any **package** that is covered by this Policy will be shipped in strict accordance with all regulations of the **Carrier**. Coverage is only provided for shipments through commercial **carriers**.

III. DEFINITIONS

The following terms have specific meanings and appear in bold face type throughout this Policy:

- A. **Carrier** means the company that is transporting a **package** covered by this Policy.
- B. **Package** means a single shipping unit and its contents. Banded boxes and pallets of boxes are considered one single package.
- C. **Policyholder** means the insured person or company whose name appears on the Declarations Page.
- D. **Covered Property** means packages containing property of others insured by you when such **packages** are in the custody and control of a **carrier**, until delivery by such **carrier** is completed.
- E. **Shipsurance** means the agent, Shipsurance Insurance Services.
- F. **Total Insured Value** means the total value of the item(s) declared for insurance coverage. Includes the total transaction amount (including, but not limited to: invoice value, taxes, custom fees, technology fee, shipping fees) as provided by the Merchant at the time of shipment.
- G. **We, us** and **our** means American Bankers Insurance Company of Florida.

IV. LIMITS OF LIABILITY

Our liability under this Policy shall be no greater than the liability assumed under and in accordance with this Policy.

V. PERILS INSURED AGAINST

We will pay for direct physical loss or damage to a covered **package** caused by or resulting from a peril not otherwise excluded, not to exceed the applicable limit of liability shown on the Declarations Page.

VI. CONVEYANCES

This Policy covers all shipments made by any conveyance, including but not limited to vessel, barge, truck, railcar, and/or other waterborne and/or land and/or air conveyance, including shipments by mail and parcel post, messengers and couriers and/or otherwise.

VII. EXCLUSIONS

This Policy does not provide coverage for the following:

- A. Accounts, bills, currency, cash in transit, evidence of debt, checks, money orders, cash on delivery (COD) payments, coins (collectible coins are not excluded), securities and other negotiable papers, tickets, deeds, notes, gift cards, manuscripts, documents, neon items, hazardous material (per UPS Hazardous Materials List), LCD monitors or screens, televisions (including LCD, plasma, CRT, projection, and similar), perishable cargo or similar property, eggs,

any stone or ceramic slabs, automobiles, motorcycles, live animals, flowers, plants, seeds, cigarettes/cigars, cotton, tobacco, windows, plate glass, stained glass, and float glass.

- B. Shipments sent to Afghanistan, Angola, Bolivia, Burma, Congo, Cuba, Iran, Iraq, Ivory Coast (Cote d'Ivoire), Liberia, Nigeria, North Korea, Paraguay, Sierra Leone, Somalia, Sudan, Syria, Venezuela. Any location that would be in violation of any U.S. economic or trade sanctions including OFAC Restricted Countries. For shipments to Commonwealth of Independent States countries (includes Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan) coverage ceases upon touchdown of the aircraft at the airport of destination or upon discharge from the overseas vessel at the destination discharge port.
- C. A **Package** that requires a signature confirmation or signature required service that are not sent using the required signature service are excluded from coverage.
- D. Loss, damage, shortage, or non-arrival of any **package** and its contents which is addressed incorrectly or packed insufficiently to withstand the normal rigors of transit, and/or not compliant with Carrier's requirements.
- E. Loss, damage, shortage, or non-arrival of any **package** and its contents when it bears a descriptive label or packaging which describes, or alludes to, the nature of the contents. This includes the manufacturer packaging. International shipments that contain customs declarations are NOT excluded from coverage.
- F. Loss, damage, shortage, or non-arrival of any **package** and the contents when it is obtained by trick, false pretense, or other fraudulent schemes.
- G. Loss, damage, shortage arising out of loss of market, delay, loss of use, clean-up costs, decay, inherent vice, or other deterioration, any remote or consequential loss, whether or not arising out of a peril insured against or changes in temperature or humidity.
- H. War Exclusion, Atomic and Nuclear Exclusion
In no case shall this Policy cover loss damage or expense caused by:
 - 1) War, civil war, revolution, rebellion, insurrection, or civil strife arising from, or any hostile act by or against a belligerent power;
 - 2) Capture, seizure, arrest, restraint or detainment (piracy excepted), and the consequences of or any attempt of;
 - 3) Derelict mines, torpedoes, bombs, or other derelict weapons of war. In no case shall this Policy cover loss damage or expense arising from the use of any weapon of war employing atomic or nuclear fission, fusion or other like reaction or radioactive force or matter.
- I. Mechanical and Electrical Derangement or Mechanical Breakdown - Loss of or damage due to mechanical, electrical, electronic derangement or refrigerated breakdown unless there is evidence of external damage to the **package** or its packaging. Data files and installed computer programs are not covered for erasure, corruption, or loss.
- J. American Institute of Marine Underwriters Extended Radioactive Contamination Exclusion clause.
- K. American Institute of Marine Underwriters Chemical, Biological, Bio-Chemical, electromagnetic, and Cyber Weapons Exclusion clause.
- L. Shipments involving illegal or controlled substances are excluded from coverage.
- M. Pollution
This Policy does not apply to any damage, expense, cost, loss, liability or legal obligation arising out of or in any way related to pollution, however caused. Pollution includes the actual, alleged or potential presence in or introduction into the environment of any substance if such substance has or is alleged to have, the effect of making the environment impure, harmful, or dangerous. Environment includes any air, land, structure or the air therein, watercourse or water, including underground water. **We** will have no duty to defend any suit arising out of or in any way related to pollution.
- N. Shipments sent through owned, leased or rented vehicles that are not commercial businesses.
- O. Sanction Limitation and Exclusion Clause
No (re)insurer shall be required to provide cover and no (re)insurer shall be liable to pay any claim, provide any benefit or pay any other amount to the extent that the provision of all or any part of such cover, payment of such claim, benefit or other amount by the (re)insurer would cause that (re)insurer to breach any sanction, embargo rule,

law, regulation, prohibition or restriction imposed by the United Nations Security Council, or any trade, embargo or economic sanctions laws or regulations of the European Union, the United Kingdom or United states of America.

VIII. CONDITIONS

A. ASSIGNMENT

Assignment of interest under this Policy shall not be valid unless **we** give **our** written consent.

B. AUDIT OF BOOKS AND RECORDS

The **Policyholder** agrees to keep and maintain an accurate record of the **Policyholder's** business as it relates to this insurance. **We** may audit the **Policyholder's** books and records as they relate to this insurance at any time during the term of this Policy and up to three years afterward. Failure to comply will result in the cancellation of coverage and may jeopardize settlement of outstanding claims.

C. BANKRUPTCY OR INSOLVENCY

The bankruptcy or insolvency of the **Policyholder** shall not relieve **us** of **our** obligations under this Policy.

D. CANCELLATION

This Policy may be canceled by the **Policyholder** or **us** by surrendering the Policy to **us**, or by mailing to **us** written notice stating the future date cancellation is to take effect. **We** may cancel this Policy by mailing written notice of cancellation to the **Policyholder** at least:

- 1) Ten (10) days prior to the effective date of cancellation if this Policy is canceled for non-payment of premium; or
- 2) One Hundred Twenty (120) days prior to the effective date of cancellation if this Policy is canceled for any other reason.

E. CLAIM DISPUTES

This Policy shall be construed and interpreted in accordance with the laws of the State of California.

The parties agree that any and all claims or disputes arising out of the Policy or the performance of the Policy shall be brought in Los Angeles County, California.

The **Policyholder** agrees to INDEMNIFY AND HOLD HARMLESS **Shipsurance** and **us** from any loss, liability, damage or costs, including court costs and attorney fees that they may incur due to misreading, misunderstanding, and not following the coverage requirements provided by this Policy and any applicable endorsements.

F. CLAIM REQUIREMENTS

- 1) All packaging material and damaged goods must be kept in the original form as received. Packaging and damaged goods should not be disposed of or released to the **carrier** before a claim is completed as photographs will be required. Failure to comply will result in the denial of the claim due to insufficient packing.
- 2) Concealed damage allows for the discovery of loss or damage up to 15 days after final delivery. The loss is deemed to have possibly occurred during the insured transit. Discovery of loss or damage occurring 16 days or later after final delivery is deemed to have occurred while the shipment was NOT in transit, and therefore, is not covered.
- 3) In case of loss or damage to the covered **package** the following must be completed:
 - a) **You, your** customers, or the owner of the **covered property** will file notice of non-delivery, damage, or shortage with **SHIPSURANCE** within ninety (90) days;
 - b) **You, your** customers, or the owner of the **covered property** will complete a **Shipsurance** claim form and provide all required documents to **Shipsurance** within ninety (90) calendar days from the date of shipment.
 - c) A complete claim submission must include a **Shipsurance** claim form, a copy of the invoice or recent appraisal, photos of damaged goods and packaging, and a claim confirmation from the intended recipient (this could be an email from the intended recipient) indicating loss. Additionally, due to certain proprietary

fraud markers, **Shipsurance** may request an onsite inspection, a mail theft report, a sworn testimony, an itemized inventory, or a police report. Failure to complete the claim form and follow all claim instructions could lead to non-settlement of claim.

d) If the shipment is sent by the United States Postal Service (USPS) or consolidators, complete claims must be submitted and received by **Shipsurance** within ninety (90) calendar days of the shipment date. If the claim is for loss **you, your** customers, or the owner of the **covered property** must wait twenty (20) calendar days (Domestic shipments) or 40 calendar days (International shipments) before filing claim with **SHIPSURANCE**.

4) Any damage to a **package** that was not repaired must be made available to **us**, if requested.

5) Once a claim has been accepted and approved by **us**, prompt payment will be made to the **you, your** customers, or the owner of the **covered property**.

G. CONFORMITY TO STATUTE

Any provision of this Policy that is not in conformity with the laws of the state in which this Policy is issued, is amended to comply with the minimum requirements of such law.

H. DEDUCTIBLE

None

I. LEGAL ACTION AGAINST US

No legal action may be brought against **us** unless there has been full compliance with all of the terms and conditions of this Policy and suit is filed within one year from the date of the occurrence. No one will have the right to join **us** as a party to any action against the **Policyholder**.

J. LIBERALIZATION CLAUSE

If **we** make any revision, which would broaden the coverage under this Policy without additional premium within sixty (60) days before or during the coverage period, the broadened coverage will immediately apply to this Policy.

K. NO BENEFIT TO BAILEE

The insurance afforded by this Policy shall not benefit directly or indirectly to any carrier or other bailee.

L. NONPAYMENT OF PREMIUM

If **Shipsurance** does not receive payment of premium from **you, your** customers, or the owner of the **covered property** by the date the invoice is due, **Shipsurance** reserves the right to deny any coverage retained until such invoice is paid in full (including any such interest accrued). If **you, your** customers, or the owner of the **covered property** does not pay its invoice within 45 days after it is due, **Shipsurance** reserves the right to cancel its coverage entirely.

M. REPORTING

The **Policyholder** will provide **Shipsurance** with a daily report of all **packages** shipped that required coverage. This report will contain the pertinent information regarding the **packages** shipped. The information to be included on the report includes date of shipment, **carrier**, insured value, and tracking number.

N. REPRESENTATIONS

By acceptance of this Policy, the **Policyholder** agrees that all statements contained on the Declarations Page are complete and accurate and are the **Policyholder's** agreements and representations, and that this Policy is issued in reliance upon the truth of such representations.

O. SIGNATURE CONFIRMATION SERVICE

Jewelry (includes necklaces, earrings, watches, rings, bracelets, broaches, etc.), laptop computers (including tablets computers, ipads, and similar electronics), and mobile telephones (including cell phones, smart phones, messaging phones, android phones, iPhones, and similar) with a value of two thousand \$2,000 or more must be sent with the

direct or adult Signature Confirmation Service provided by the **carrier** (must be signed for at delivery). This service is available by most **carriers** often at an additional expense to their core shipping service.

P. TERRITORY

This policy covers goods and/or merchandise and/or property while at and while transported from ports and/or places anywhere in the world to, ports and/or places anywhere in the world, including the risk of transshipment by land, air, water, or otherwise except as noted under exclusions.

Q. TRANSFER OF RIGHTS OF RECOVERY TO US

If **we** make payment under this insurance, **you, your** customers, or the owner of the **covered property** rights to recover damages from another are transferred to **us** to the extent of **our** payment. **You, your** customers, or the owner of the **covered property** must do everything reasonably necessary to secure **our** rights and must do nothing knowingly after loss to impair **our** rights.

After **you, your** customers, or the owner of the **covered property** has been made whole, all amounts recovered by the from third parties for which **you, your** customers, or the owner of the **covered property** also received benefits under this Policy, shall be paid to **us** by the **Policyholder** up to the total amount of benefits paid by **us**.

R. VALUATION

We shall be liable for the Total Insured Value of any **package** lost, destroyed or damaged. Claims for repairs shall be payable for the fair market costs of such repairs. In no event shall claims exceed the value declared prior to shipment and declared for premium purposes.

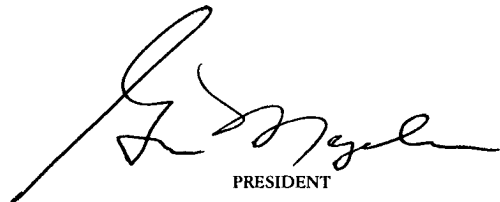
S. WAIVER OR CHANGE OF PROVISIONS

A waiver or change of any provision of this Policy must be in writing by **us** to be valid.

In WITNESS WHEREOF, **we** have caused this Policy to be signed by **our** President and Secretary and countersigned (if required by law), on the Declarations Page by **our** duly authorized representative.



SECRETARY



PRESIDENT