



Thank you for trusting your goods to LILLY + Associates International. We appreciate your business and want to provide the highest quality service at all times. Please be assured that while every effort is made to ensure safe storage of your goods, sometimes loss and/or damage does occur.

LILLY + Associates International' Role and the Warehouse Operator's Liability

LILLY + Associates International as a Warehouse Operator, routinely act as a Bailee, which means we are entrusted with property in our care, custody and control, but do not take ownership of the goods. If the property is damaged or missing, the bailee is usually held liable in accordance with local law. Based on these conventions, bailees are allowed to limit their liability under the Uniform Commercial Code (UCC). The UCC allows the warehouse operator to establish certain limits of liability that must be previously agreed on between the warehouse and the owner of the goods. Any limitation of liability must be set forth per article/item or a value per unit of weight. Customary limit is \$0 .50 per pound and/or \$50 per shipment, but varies for different warehouse receipts.

Warehouse operators often purchase Warehouse Legal Liability insurance but this will not cover the full value of your goods while in storage. This only covers up to the warehouse operator's legal liability as stated on their warehouse receipt.

Please review the actual warehouse receipt for terms and limitations.

How Can You Protect Yourself?

"All Risk" Warehouse Coverage provides the owner of the cargo with coverage for direct physical loss or damage to the cargo without the need to prove liability. While the exclusions in the warehouse operator's policy forms will differ, the Shipper's Interest coverage remains constant. Unlike Warehouse Operator's Liability Insurance, Shipper's Interest insurance provides coverage for the direct physical loss or damage to the cargo, not the Warehouse Operator's Liability.

For this reason, **LILLY + Associates International' recommends that its customers purchase Shipper's Interest Cargo Insurance** or consult your business property insurance policy. Your materials may already be covered under this policy. For your convenience, we offer you the option of purchasing this important coverage as a part of our package of services. Please take a moment to review the following information. Should you have any questions please feel free to contact your LILLY + Associates International sales representative.

Advantages of Insuring Your Cargo Through LILLY + Associates International' Policy

- ^ Covered losses are paid without the need to prove Carrier or warehouse operator negligence
- ^ Insurance Company deals with collecting from the Carrier or warehouse operator (if possible) once the claim has been paid
- ^ Claim payments based on insured value, not weight of pieces missing/damaged or Warehouse operator's limited liability
- ^ LILLY + Associates International will report and handle claims on your behalf

Please tell us how you would like to proceed

- I wish to insure this shipment. Please contact me to discuss my options.
- I do not wish to insure this shipment and I understand that my recovery will be limited in the event of loss

_ Signature, Company Name/Title/Date

Printed Name

This summary provided for informational purposes. It does not grant or extend coverage. All coverage is governed by the terms and conditions set forth in the policy (text available upon request). LILLY + Associates International is not the insurance company. LILLY + Associates International purchases insurance for its clients from ROANOKE. LILLY + Associates International' liability is dictated by its Terms and Conditions of Service, copy available upon request.