

Cannabis Transport Application

Please submit a completed application, SOV and five (5) years of currently valued Loss Runs to GMISubmissions@GMI-Insurance.com

Today's Date _____ Quote by Date _____ Requested Policy Period _____

Policy/ies Requested Auto Physical Damage Motor Truck Cargo

ACCOUNT INFORMATION

Applicant Name _____ DBA(s) _____

Mailing Address _____

Physical Address _____

Contact Name _____ Title _____

Office Phone _____ Cell Phone _____ Email _____

Years in Business _____ (If in business less than 3 years, please attach a resume) Website _____

DOT # _____

Description of Business _____

Legal Business Name _____

Entity Type Corporation Partnership LLC Sole Proprietor/Individual Other _____

Years in Business _____ (If in business less than 3 years, please attach a resume) Website _____

If new venture, do any of the principals have a minimum of one (1) year in the cannabis, CBD, or hemp industry? Yes No

OPERATIONS

Use Cannabis-Rec Cannabis-Med Cannabis-Both CBD Hemp Other _____

Operations (Check ALL that apply):

Hydroponics Retail-Cannabis Retail-CBD Smoke Shop B2B Delivery B2C Delivery
 Cultivator Distributor Testing Lab Manufacturer Dispensary Other (describe) _____

If operations include B2B Delivery, please complete the following:

What are the projected sales for B2B operations for the next 12 months? \$ _____

What were last year's sales for B2B operations? \$ _____

Will driver be using personal vehicle for delivery? Yes No

If operations include B2C Delivery, please complete the following:

What are the projected sales for B2C operations for the next 12 months? \$ _____

What were last year's sales for B2C operations? \$ _____

Will driver be using personal vehicle for delivery? Yes No

Is B2C delivery a 24/7 service? Yes No

Is the applicant a member of any cannabis, CBD, or hemp trade associations? Yes No

If yes, who? NCIA CCIA CCSE NORML Other _____

Type of Coverage/Carrier Owned Property Contract Carrier/Property of Others

Vehicles Used Owned Vehicles Leased Vehicles Employee Vehicles Contracted Carriers

Number of Vehicles _____

Transport Frequency Daily (more than 2) 1-3 Weekly 1-5 Per Month

COMMODITIES

Commodity	Value	% of Load	Commodity	Value	% of Load

DRIVER INFORMATION

No.	Driver's Name	Date of Birth	License #	State	Years Class A Experience	Date Hired

VEHICLE INFORMATION

Minimum Premium: \$1,500

No.	Year	Make	VIN #	Trailer Type	Stated Amount	Deductible

COVERAGE & LIMITS

Max Per Vehicle is \$1,000,000 (the sum of the cargo + cash limit cannot exceed \$1M without carrier approval)

Coverage Limits—Non-Owned or Carried Cargo/Goods (required)

- \$50,000
 \$100,000
 \$150,000
 \$200,000
 \$250,000
 \$300,000
 \$350,000
 400,000
 \$450,000
 \$500,000
 \$750,000
 \$1,000,000

Coverage Limits—Owned or Carried Cargo/Goods

- \$50,000
 \$100,000
 \$150,000
 \$200,000
 \$250,000
 \$300,000
 \$350,000
 400,000
 \$450,000
 \$500,000
 \$750,000
 \$1,000,000

Coverage Limits—Cash/Securities

- \$50,000
 \$100,000
 \$150,000
 \$200,000
 \$250,000
 \$300,000
 \$350,000
 \$400,000
 \$450,000
 \$500,000
 \$750,000
 \$1,000,000

Deductible (required)

- \$2,500
 \$5,000

PROPERTY HAULED

Avoid general terms. State approximate percentage of max value per conveyance

Type of Cargo	% Operations	Average Value	Maximum Value

ADDITIONAL COVERAGE

Towing, Labor and Storage Coverage (CUS MA 433)

Total Limit (Per Unit)

- \$2,500
 \$5,000
 \$7,500
 \$10,000
 \$15,000
 \$20,000
 \$25,000
 \$25,001+ (requires additional approval)

Non-Owned Trailer Endorsement (CUS MA 425)

Standard Trailer Interchange Agreement (CUS MA 426)

Uniform Intermodal Interchange and Facilities Access Agreement (UIIA)

LOSS RUNS

Please attach five (5) years of currently valued loss runs or if business less than five (5) years please provide loss runs showing loss experience for years in business.

UNDERWRITING QUESTIONS

All questions must be answered. Failure to disclose information could invalidate coverage

Has the applicant ever filed bankruptcy, individually or as owner, in the past five (5) years? Yes No

If so, please provide details _____

Has any insurer within the past 5 years refused to renew, declined to offer, or cancelled insurance to the applicant? Yes No

If so, please provide details _____

Has the insured ever operated under a different name or DOT #? Yes No

If so, please provide details _____

Does the applicant possess a valid cannabis license for business operations and transportation? Yes No

Type _____ License Number _____

Do you currently have commercial auto insurance coverage for all vehicles? Yes No

Have any of the drivers been convicted of a felony or DUI in the last 10 years? Yes No

Has the applicant ever filed for bankruptcy? Yes No

If yes, please provide details _____

Do you haul any hazardous, flammable, explosive, corrosive, or chemical materials? Yes No

Are drivers allowed to make unscheduled stops during transport? Yes No

Are drivers allowed to take any cannabis inventory and or money home? Yes No

Are owner operators used? Yes No

If yes, are owner operators on a long-term contract/lease (more than six months)? Yes No

- Does the applicant collect motor vehicle reports or DMV records from all drivers prior to employment? Yes No
- Does the applicant monitor employee's driving records during active employment? Yes No
- If yes, how often? _____
- Does the applicant have written a written safety program that includes driving safety, security threats, vehicle breakdown, bad weather, refusal of delivery response? Yes No
- Are all Non-Owned/Employee Vehicles 10 years old or newer with verified insurance and maintenance records? Yes No
- Are all drivers/operators over 25 years of age? Yes No
- Are deliveries/shipments solely in applicant's state of operation? Yes No
- Is a bill of lading, shipping receipt or contract of carriage used for each shipment? Yes No
- Are background checks done for all handlers of money and securities? Yes No
- If yes, how frequently? Every 6 months Every Year Other _____
- If yes, is there an ongoing monitoring program with notification? Yes No

PROTECTION

- Does the applicant have a lock box that is bolted to the vehicles? Yes No
- Do the vehicles have interior and exterior cameras? Yes No
- Are loaded vehicles ever left unattended or trailers unattached? Yes No
- If yes, please provide detail _____

What security is provided for loaded vehicles? (check all that apply)

- At Locations Fenced Lot Security Guards In a Locked Building Theft Alarm Lighted Kingpin Locks
- In Transit Lock or GPS Device Vehicle Theft Alarm Kingpin Locks Fire Extinguishers Other _____

ADDITIONAL ENDORSEMENTS

(check if applicable)

- Non-Owned Trailer Endorsement
- Standard Trailer Interchange Endorsement
- Uniform Intermodal Interchange and Facilities Access Agreement

Policy level deductible applies.

OPTIONAL COVERAGES

(check if applicable)

- Refrigeration Breakdown Coverage (policy limit)
- Unattended Covered Vehicle Coverage (coverage does not apply to cash) – Limit Up to \$100,000
- Earned Freight Coverage – Limit \$5,000
- Debris Removal Coverage – Limit \$10,000
- In Full Premium Coverage (policy limit)

\$2,500 deductible for vehicles 10 years old or less, units older than 10 years old will require a \$5,000 deductible and will require carrier approval.

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. FRAUD WARNING (APPLICABLE IN TENNESSEE AND WASHINGTON): 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. FRAUD WARNING APPLICABLE IN THE STATE OF NEW YORK: 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.

Other terms remain unchanged unless otherwise indicated in the policy contract. This application is a part of the policy contract upon issuance.

Applicant Name _____ Title _____

Authorized Applicant Signature _____ Date _____

(Must be signed by an active owner, partner, or executive officer)

Agent Name _____ License Number _____

Agent/Producer Signature _____ Date _____

SPECIAL RESTRICTIONS AND CONDITIONS — OPERATION WARRANTY

As a condition of the insurance provided by the policy, you certify and agree to the following:

1. To review each driver's automobile driving record as published by the driver's home state at time of hire and at least once every 12 months or, in the case of a prospective driver, before that driver drives on your behalf; CURRENT INFORMATION AS WELL AS OLD INFORMATION MUST BE MAINTAINED FOR A PERIOD OF 3 YEARS; and
2. That no driver will be allowed to operate a vehicle or other conveyance on your behalf if that driver does not have a valid automobile driver's license and an insurance ID card or some other form of acceptable proof of financial responsibility for the operation of a motor vehicle; and,
3. That no driver will be allowed to operate a vehicle on your behalf if that driver has any four or more of the following citations, violations, accidents, or combinations thereof
4. If CUS MA 422 Driver Schedule/Exclusion is added there would be no coverage for any excluded driver.

VIOLATIONS

No more than four (4) occurrences in three (3) years or 36 months;

- At fault accidents (these will count as two occurrences)
- Violations involving a mobile device while operating a motor vehicle will count as three occurrences

No convictions involving dishonesty breach of trust or theft

No major traffic citations or incidents in the past five (5) years 60 months. Major citations are as follows:

- Hit and run, eluding policy, felony with a motor vehicle, negligent homicide or manslaughter
- Felony auto theft or filing a false report of theft
- DUI or DWI / Open Container / Implied Consent / Possession of a controlled substance (offenses involving cannabis only may be referred to CUSI for consideration)
- Falling asleep at the wheel
- Operating a motor vehicle without the owner's consent
- Driving under a suspension / revocation / cancelled license
- Leaving the scene of an accident
- Following too close
- Dishonesty or breach of trust
- Refusal to submit to a blood, urine, or breath test
- Reckless driving
- Excessive speeding, driving 30 or more MPH over the speed limit; speed contest, or racing

OTHER CONSIDERATIONS

You agree that no driver will be allowed to operate a vehicle on your behalf if that driver does not comply with the following:

1. Handlers of money and securities must submit to a background check. The Background check should evidence NO convictions or arrests for dishonesty, breach of trust, or theft.
2. Drivers are required to have at least two years of experience, and must be at least 25 years old and no more than 70 years of age. Drivers over 65 years of age and older (up to 70) must have a short form medical report.
3. Driver must be at least 25 and hold a valid cannabis related identification card which indicates they are legally able to possess the amount of product being transported
4. All vehicles driven on behalf of the Insured meet the state's safety requirements.
5. Drivers/transporters will not be accompanied by passengers other than your employees or contracted security service providers.
6. All contracted security services must provide a certificate of insurance from an A rated carrier. Proof of insurance should evidence proof of General Liability, Commercial Auto and Workers Compensation coverage (WC requirement is not applicable to sole proprietorships).

In addition, contracted security services must provide the following:

- Additional insured endorsement specifically naming you/your corporation as additional insured with primary coverage and a waiver of subrogation.
 - Hold Harmless agreement, solely in your favor, releasing you from any liability or loss arising from activities covered under policies issued by us.
7. A driver charged with any major citation, arrest or conviction will be suspended from driving duties until all charges have been dismissed or a judgment is entered in favor of the driver. Until this is resolved, the driver may not drive.
 8. Any driver observed driving in an unsafe manner or driving an unsafe vehicle will be barred immediately from driving duties.
 9. You stipulate that you do not advertise to the buying public that a delivery will be accomplished within a specified time of receiving an order and that you do not require drivers to make deliveries in a specified time.
 10. You agree not to waive any of the carrier's rights under any contract and understand such agreements will not be honored by the policy contract
 11. You agree to provide a list of drivers at binding and at renewal each year and to notify us of any new drivers within 30 days.
 12. Driver's will be added effective the day following the receipt of the driver change request. NO BACKDATING of drivers is permitted.
 13. You agree to keep accurate records of delivery, routes and receipts. The policy is subject to audit at the company's discretion.
 14. All employees have documented training on active documented procedures to protect cargo. Procedures must include response in case of security events, driver illness, vehicle breakdown, detours, accidents bad weather and refusal to accept delivery.

SPECIAL RESTRICTIONS AND CONDITIONS — HIGH VALUE SHIPPING WARRANTY

As a condition of coverage provided by the company, you certify and agreed to the following terms. Failure to provide documentation proving all such conditions existed at the time of loss will result in reduction or denial of coverage.

Unmarked Vehicle Warranty—We will not pay for theft of Covered Property (Cannabis & Cash) where the insured fails to comply with the Unmarked Vehicle Warranty. This warranty requires that any Covered Vehicle (power unit or trailer) does not display any verbiage or imagery relating to cannabis, marijuana, hemp, or CBD on the outside. Unmarked vehicles will naturally be a lower theft target versus one that blatantly displays cannabis related imagery on the outside.

High Value Shipping Warranty—The requirements for this warranty vary depending on the limits chosen. There are three (3) different coverage form options available to enforce this warranty. The requirements are outlined below, along with descriptions of each form and their differences. A more restrictive version of the HVS warranty can always be applied if the underwriting justifies it—this can be at your discretion, or it may be required by your CUSI underwriter depending on the account characteristics.

HIGH VALUE SHIPPING WARRANTY REQUIREMENTS

Covered Vehicle Limit	Required HVS Warranty
\$1 - \$250,000 Covered Vehicle Limit	CUS MC 423
\$250,001 - \$500,000 Covered Vehicle Limit	CUS MC 424A
\$500,000+ Covered Vehicle Limit	CUS MC 424B (includes 423 and 424A)

CUS MC 423—Required for all risks with a Covered Vehicle Limit up to \$250,000

This version of the warranty requires the insured comply with the following criteria for theft and attempted theft to be covered:

- Vehicles must be loaded in a secure location with no street or public visibility.
- Contract of carriage or bill of lading must be signed and verified by shipper and carrier prior to transport.
- Covered Vehicle(s) must not make unscheduled stops for any reason, other than as required by law enforcement or need to protect property covered property from loss or damage.
- Cannabis and Cash must be counted/weighed and sealed prior to provision to driver or delivery person. There must be written documentation to account for the value/weight/number of items that is reviewed and signed by manager or owner.
- Covered Property must be transported in locked and sealed containers and not be accessible while in transit.
- Your employee training program must include threat awareness, robbery response, recognition of threats and appropriate response to threatening events.
- Trailers and packaging must include tamper evident security seals.

CUS MC 424A—Required for all risks with a Covered Vehicle Limit between \$250,001 and \$500,000

This version of the warranty requires the insured comply with the following criteria for theft and attempted theft to be covered:

- Vehicles must be loaded in a secure location with no street or public visibility.
- An approved tracking device must be installed in a covert location in all vehicles used for the transport of Cannabis and Cash and, where available, must be capable of utilizing at least two methods of signaling such as 3G, or SMS/GPRS using GSM or CDMA and must be equipped with at least one covert antenna.
- Contract of carriage or bill of lading must be signed and verified by shipper and carrier prior to transport.
- Covered Vehicle(s) must not make unscheduled stops for any reason, other than as required by law enforcement or need to protect covered property from loss or damage.
- Cannabis and Cash must be counted/weighed and sealed prior to provision to driver or delivery person. There must be written documentation to account for the value/weight/number of items that is reviewed and signed by manager or owner.
- Covered Property must be transported in locked and sealed containers and not be accessible while in transit.
- Your employee training program must include threat awareness, robbery response, recognition of threats and appropriate response to threatening events.

- Your employee training must include documented procedures in place to protect cargo in case of security incidents, driver illness, vehicle breakdown, strikes, detours, bad weather and refusal to accept delivery any third- party security service must provide documentation of the same.
- Trailers and packaging must include tamper evident security seals.
- You must have documented protocol(s) in place to check functionality of all tracking devices prior to departure.

CUS MC 424B—This includes all of the requirements from CUS MC 424A, with two additional requirements available (noted below)

This form is fillable, and can be used to craft a more bespoke warranty depending on certain situations. This is required for all MTC policies requesting a covered vehicle limit exceeding \$500,000 (all boxes must be checked).

- Covered Vehicle(s) must be accompanied by a follow-car. Follow car must be (this requirement can be waived with a description of approved threat identification procedure):
- an unmarked non-descript vehicle that follows the cargo from point of origin to destination.
- Covered Vehicle(s) must be operated with a 2-person crew with at least one (1) individual remaining with the vehicle at all times during the transportation of Covered Property.

I have read this SPECIAL RESTRICTIONS AND CONDITIONS in its entirety and agree on behalf of all insureds, to comply with all of its terms and conditions. I understand failure to adhere to these conditions may result in reduction or nullification of coverage.

Signature of Insured or Officer of Insured Entity _____

Print Name _____ Title _____

Date _____

Other terms remain unchanged unless otherwise indicated in the policy contract. This application is a part of the policy contract upon issuance.