

TRANSPORTATION COVERAGES - BROAD FORM
WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN THIS FORM.

1. INSURING AGREEMENT

If any of the "property" insured is lost or damaged by the perils insured against, the Insurer will indemnify the Insured against the direct loss so caused to an amount not exceeding whichever is the least of:

- a. the actual cash value of the "property" at the time of loss or damage;
- b. the interest of the Insured in the "property";
- c. the amount of insurance specified on the "Declarations Page" in respect of the "property" lost or damaged.

Provided, however, that where the insurance applies to the "property" of more than one person, or interest, the Insurer's total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the amount or amounts of insurance specified on the "Declarations Page".

2. PROPERTY INSURED

This form insures lawful "property" of the Insured or for which the Insured is responsible, but only for those coverages which an amount of insurance is specified on the "Declaration Page".

COVERAGE A – lawful "property", being "property" of the Insured or of others for which the Insured is responsible, or sold by the Insured and in course of delivery but only while such "property" is in the custody and control of the Insured, and only while loaded for shipment and in transit, in or on vehicles owned or operated by the Insured, including the "loading" and "unloading" of such "property".

COVERAGE B – lawful "property" of the Insured, or of others for which the Insured is responsible, including packages, on consignment or sold but not delivered, but only while such "property" is in transit within and between Canada and the Continental United States of America and only while in the custody of a railway express or railroad company including the risk while on ferries and/or in cars on transfers, licensed public truckmen, air transportation carriers, land transfer and/or land transportation companies, including "loading" and "unloading" of such "property".

COVERAGE C – lawful "property" for the liability imposed by law upon the Insured as private or common carriers, or under the bills of lading or shipping receipts issued by the Insured but only while such "property", including packages, are in the custody and control of the Insured, and only while loaded for shipment and in transit in or on vehicles owned or operated by the Insured and at the terminal warehouse(s) or loading stations(s), including "loading" and "unloading" of such "property".

The above coverages A, B and C apply only while the described "property" is within Canada and the Continental United States of America.

3. DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by any of the perils insured against exceeds the amount of the deductible specified on the "Declarations Page" in any one occurrence.

4. INSURED PERILS

With respect to **COVERAGES A and B of "Property" Insured** above:

This form, except as herein provided, insures against all risks of direct physical loss of or damage to the "property" insured.

With respect to **COVERAGE C of "Property" Insured** above:

This Form, except as herein provided, insures against all risks of direct physical loss of or damage for which the Insured is held legally liable.

5. PROPERTY EXCLUDED

This Form does not insure loss or damage to:

- a. tarps, tools, repair equipment, packaging materials and equipment for loading and unloading;
- b. patterns, templates, blueprints, financial records, bills, currency, evidences of debt, securities, money, bullion, transcripts, jewellery, furs, paintings, statuary, other works of art or articles or virtue;
- c. animals except against accident to the transporting "vehicle" or unit causing death or rendering death necessary;
- d. shipments carried as an accommodation or without gratuity;
- e. import or export shipments or risks by mail;
- f. breakage of eggs unless directly caused by collision, upset or overturn of the transporting "vehicle" and then only if the loss amounts to 50% of the value of the shipping package (each package to be considered as separately insured) but in no event shall this Insurer be liable for such loss in excess of 25% of the amount insured hereunder on the contents of the "vehicle" involved;
- g. "property" illegally acquired, kept, stored or transported, or "property" seized or confiscated for breach of any law or by order of any public authority;
- h. "property" caused by neglect of the Insured to use all reasonable means to save and preserve the "property" insured at and after any loss or damage insured against hereunder;
- i. freight charges, except for charges earned prior to the acceptance of the shipments insured hereunder and for which the insured is legally liable;
- j. automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such "property".

6. PERILS EXCLUDED

This Form does not insure against loss or damage caused directly or indirectly:

A)

- (a) by misappropriation, secretion, conversion, infidelity or any dishonest act on the part of the Insured or any other party of interest, employees or agents of the Insured, or any person to whom the "property" may be entrusted;
- (b) by or resulting from strikes, lockouts, labour disturbances, riots, civil commotion, or the acts of any person or persons taking part in any such occurrence or disorder;
- (c) by delay, loss of profit, loss of use, or loss of market;
- (d) by shifting of load, inferior packing or poor handling;
- (e) by mechanical or electrical breakdown, derangement or by centrifugal force, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire;
- (f) by dampness or dryness of atmosphere, changes of climate, changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, change in colour or texture or finish, rust or corrosion, marring, scratching or crushing, but this exclusion does not apply to loss or damage caused directly by fire, lightning, explosion, impact by aircraft, spacecraft or land "vehicle", riot, strike, vandalism, malicious acts, smoke, leakage from fire protective equipment, windstorm or hail, theft or attempt thereat or accident to transporting conveyance provided such perils are not otherwise excluded in Clause 6 hereof;
- (g) by rodents, insects or vermin, but this exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded in Clause 6 hereof;
- (h) wear and tear, gradual deterioration, latent defect, inherent vice, or the cost of making good faulty or improper material, faulty or improper design, provided, however, to the extent otherwise insured and not otherwise excluded under this Form, resultant damage to the "property is insured";
- (i) due to any dishonest, fraudulent or criminal act by the Insured, a partner therein or an officer, director, trustee or employee thereof, whether acting alone or in collaboration with others;
- (j) by mysterious disappearance, unexplained shortage, misdelivery or by pilferage.

B) POLLUTION EXCLUDED

This Form does not insure against:

- a. loss or damage caused directly or indirectly by an actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", nor the cost or expense of any resulting "clean up", but this exclusion does not apply:
 - i. if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is the direct result of a peril not otherwise excluded under this Form;
 - ii. to loss or damage caused directly by a peril not otherwise excluded under this Form;
- b. cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

C) DATA AND DATA PROBLEM EXCLUSION

- a. This Form does not insure "Data"
- b. This Form does not insure loss or damage caused directly or indirectly by "Data Problem".

However, if loss or damage caused by "Data Problem" results in the occurrence of further loss of or damage to "property" insured that is directly caused by fire or lightning, explosion, impact by aircraft, spacecraft or land "vehicle", leakage from fire protective equipment, windstorm or hail, all as described in DEFINITIONS "Named Perils" this exclusion (b) shall not apply to such resulting loss or damage, but only to the extent that such loss or damage would otherwise be insured and not excluded under the coverage forms attached to this policy.

D) TERRORISM EXCLUSION

This form does not insure any loss or damage caused directly or indirectly, in whole or in part, by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism" regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage, but you are still insured for ensuing loss or damage which results directly from fire or explosion.

E) FUNGI AND SPORES EXCLUSION

This form does not insure:

- (a) loss or damage consisting of or caused directly or indirectly, in whole or in part, by any "fungi" or "spores". This exclusion does not apply:
 - (i) if the "fungi" or "spores" are directly caused by a peril not otherwise excluded in this form, or
 - (ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this form;
- (b) the cost or expense for any testing, monitoring, evaluation or assessing of "fungi" or "spores".

7. EXTENSION OF COVERAGE

Attachment – “Property” Transported by Others -- COVERAGE B.

This insurance attaches at the commencement of loading of the “property” insured at the initial point of shipment, and covers thereafter continuously in due course of transportation within Canada and the Continental United States of America including, when in the custody of a common carrier incidental to transportation, while on docks, piers, wharves, bulkheads, in depots, stations and/or on platforms, until the said “property” is delivered and unloaded at the designated destination.

LOADING means the moving of the “property” from a position immediately adjacent to the “vehicle”, whether a loading dock, platform or ground surface onto the “vehicle”.

UNLOADING means the removal of the “property” from the “vehicle” and placement onto a position immediately adjacent to the “vehicle”, whether a dock, platform or ground surface.

8. BREACH OF CONDITIONS

Where a loss occurs and there has been a breach of condition relating to a matter before the happening of the loss, which breach would otherwise disentitle the Insured from recovery under this Form, the breach shall not disentitle the Insured from recovery if the Insured establishes that the loss was not caused or contributed to by the breach of condition or if the breach of condition occurred in any portion of the premises over which the Insured has no control.

9. PREMIUM ADJUSTMENT

(This clause applies only if this Form is on a Reporting Basis and an adjustment rate is shown on the "Declarations Page").

- a. The premium shown on the "Declarations Page" is provisional only;
- b. It is a condition of this Coverage Form that the Insured will keep an accurate record of all “property” transported during the term of the Policy and, at the expiry date of the Policy will report in writing to the Insurer the total value of all such transported “property”.
At the expiry date of this Policy, the actual earned premium shall be calculated on the total valued of transported “property”. If the premium so calculated exceeds the provisional premium, the Insured will forthwith pay to the Insurer the amount of the excess; if such premium is less than the provisional premium the Insurer will forthwith refund to the Insured the amount of the difference, subject to the minimum retained premium shown on the “Declaration Page”.

10. VERIFICATION OF VALUES

The Insurer or its duly appointed representative shall be permitted at all reasonable times during the term of this policy, or within a year after termination or expiration, to inspect the “property” insured and to examine the Insured’s books, records and such policies as relate to any “property” insured hereunder. Such inspection or examination shall not waive nor in any manner affect any of the terms or conditions of this Form.

11. VALUATIONS

For calculating the total value of the “property”, value reporting and for loss adjustment the following valuation basis applies:

- a. **on lawful “property” transported by the Insured** -- all shipments are by agreement valued at the amount of invoice or if not under invoice then at cash market value on date and at place of shipments, except however, the liability of the Insurer shall not exceed the value as shown in tariff documents, bills of lading or shipping receipts, if any, nor shall the Insurer's liability in any event exceed what it would then cost to repair or replace the “property” lost or damaged with other of like kind and quality.
- b. **on lawful “property” transported by others** -- valued at actual invoice cost, together with such costs and charges since shipment as may have accrued, and become legally due thereon, including the commissions of the Insured as selling agents; in the absence of an invoice, reference must be had to the market value of the “property” insured at point of destination on the day of the disaster.

12. SUBSTITUTION OF VEHICLES

This Form also applies to a “vehicle” owned by or operated by or on behalf of the Insured even though not listed in the schedule if such “vehicle” is temporarily used as a substitute for a scheduled “vehicle” that is broken down, or is being repaired or serviced, or is lost or stolen, or is destroyed or damaged, provided the Insured notifies the Insurer within thirty (30) days of such breakdown or other occurrence which renders the scheduled “vehicle” unavailable for use and which requires the use of a temporary substitution to maintain the usual operations of the Insured. The Insured shall pay the additional premium required.

The limit of the Insurer's liability with respect to a temporary substitute “vehicle” which replaces another shall be the amount applicable to the replaced “vehicle”; liability assumed by the Insurer under this clause shall not in the absence of this clause increase the limit of liability in any one loss, disaster or casualty provided under this Form.

13. SPECIAL CONDITIONS AND LIMITATIONS

- a. **Co-Insurance Clause** -- in the event of a loss to which the amount of insurance on a “vehicle” applies, the Insurer shall in no event be liable for a greater proportion of such loss than the amount of insurance on the “vehicle” involved bears to 100% of the valuation as provided in paragraph 11a) of the contents of the “vehicle” at the time such loss occurred. This Condition applies only to COVERAGES A & C of “Property” Insured Clause 2.

- b. **Reimbursement of Insurer** -- should the Insurer pay a loss or losses in compliance with any special endorsement required by law or legal regulations in the continental United States of America (excluding Alaska) by the Interstate Commerce Commission or by any Public Service Commission, Public Utilities Commission, Corporation Commission or Railroad Commission for which it would not have been liable under the terms of the Policy, the Insured agrees to reimburse the Insurer to the full extent of such payments, plus any additional expense incurred in connection therewith.
- c. **Limitation** -- in the event of loss by theft of furs and articles made principally of fur; liquors of alcoholic content greater than 10% by volume; tobacco and tobacco products; or any combination of these commodities the limit of liability of the Insurer shall not exceed \$1,000 in any one loss unless this Form has been specifically endorsed to provide coverage for transportation of any of the articles describe in Special Conditions and Limitations C. If the policy has been endorsed to provide coverage for such articles, the insurer will indemnify the Insured up to an amount not exceeding the limit of insurance as specified on the "Declaration Page" in respect of any such "property".
- d. **Compromise by Insured** -- the Insurer shall not be liable for any loss or damage which shall be the subject of a settlement or compromise by the Insured with others unless the Insurer consents thereto.
- e. **Labels** -- in the event of loss affecting labels, capsules or wrappers, the loss shall be adjusted on the basis of an amount sufficient to pay the cost to the Insured of new labels, capsules or wrappers, and of relabeling or rewrapping the "property".
- f. **Carriers Receipts** -- it is agreed that the Insured may, without prejudice to this insurance, accept such bills of lading, carriers receipts or contracts of carriage as are ordinarily issued by carriers, containing a limitation as to the value of the "property".
- g. **Locked "Vehicle" Warranty** - This clause does not apply to "property" which is under the control of a common carrier. Warranted by the Insured that any "vehicle" in which the "property" insured is carried is equipped with a fully enclosed metal body or compartment and the Insurer shall be liable in case of loss by theft from an unattended "vehicle" only as a direct result of forcible entry (of which there shall be visible evidence) into such body or compartment the doors and windows of which shall have been securely locked.
- h. **Trailers** - this Form does not cover the "property" insured under coverages A & C while in or on any trailer or detachable truck body unless such trailer or body is attached to or loaded on the chassis of a "vehicle" owned or operated by the insured.

14. DEFINITIONS

- a. **"Clean Up"** means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.
- b. **"Data"** means representations of information or concepts, in any form.
- c. **"Data Problem"** means:
 - i. erasure, destruction, corruption, misappropriation of "Data";
 - ii. error in creating, amending, entering, deleting or using "Data"; or
 - iii. inability to receive, transmit or use "Data";
 - iv. damage to electronic data processing equipment or any other related component system, process or device.
- d. **"Declarations Page"** means the Declarations Page applicable to this Form.
- e. **"Fungi"** includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resultant mycotoxins, allergens or pathogens.
- f. **"LOADING"** means the moving of the "property" from a position immediately adjacent to the vehicle, whether a loading dock, platform or ground surface onto the vehicle.
- g. **"Named Perils"** means:
 1. **FIRE OR LIGHTNING**
 2. **EXPLOSION:** Except with respect to explosion of natural, coal or manufactured gas, there shall in no event be any liability hereunder for loss or damage caused by explosion, rupture or bursting or of the following "property" owned, operated or controlled by the Insured;
 - i.
 - a) The portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - b) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - c) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion therefrom;
 - d) smelt dissolving tanks;
 - ii. other vessels and apparatus, and pipes connected therewith, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds) per square inch) above atmospheric pressure except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;
 - iii. moving or rotating machinery parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
 - iv. any vessels and apparatus and pipes connected therewith while undergoing pressure tests, but this exclusion shall not apply to other "property" insured hereunder that has been damaged by such explosion;
 - v. gas turbines;

The following are not explosions within the intent or meaning of this section:

- a) electric arcing or any coincident rupture of electrical equipment due to such arcing;
- b) bursting or rupture caused by hydrostatic pressure or freezing;
- c) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.

3. **IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE:** The terms "Aircraft" and "Spacecraft" include articles dropped therefrom.

There shall in no event be any liability hereunder due to cumulative damage or for loss or damage:

- i. caused by land vehicles belonging to or under the control of the Insured or any of his employees;
- ii. to aircraft, spacecraft or land vehicles causing the loss;
- iii. caused by any aircraft or spacecraft when being taxied or moved inside or outside of "buildings".

4. **RIOT, VANDALISM OR MALICIOUS ACTS:** The term Riot includes open assemblies of strikers inside or outside the "premises" who have quitted work and of locked-out employees. There shall in no event be any liability hereunder for loss or damage:

- i. due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
- ii. due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under Clause K(2)(i);
- iii. due to theft or attempt thereat.

5. **SMOKE:** The term "Smoke" means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability hereunder for any cumulative damage.

6. **LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT:** The term Leakage From Fire Protective Equipment means the Leakage or discharge of water or other substance from within the equipment used for fire protection purposes for the "premises" described in the "Declaration Page" or for adjoining premises and loss or damage caused by the fall or breakage or freezing of such equipment.

7. **WINDSTORM OR HAIL:** There shall in no event be any liability hereunder or loss or damage:

- i. to the interior of the "buildings" insured or their contents unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;

h. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

i. **"Property"** means goods, merchandise, equipment, contents, "stock", office contents, and "property" of every description and contents of every description as defined in the wording to which this Endorsement attaches.

j. **"Spores"** includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any "fungi".

k. **"Stock"** means:

- (i) merchandise of every description usual to the Insured's business
- (ii) packing, wrapping and advertising materials; and
- (iii) similar "property" belonging to others which the Insured is under obligation to keep insured or for which he is legally liable.

l. **"Terrorism"** means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s), or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

m. **"UNLOADING"** means the removal of the "property" from the vehicle and placement onto a position immediately adjacent to the vehicle, whether a dock, platform or ground surface.

n. **"Vehicle"** means a truck, a trailer, an automobile, a station wagon or a panel.

ALL TERMS AND CONDITIONS STATED IN THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED APPLY.