

#### **I. PROPERTY INSURED**

This Rider insures lawful goods and merchandise, including packages all usual or incidental to the business of the Insured as specified on the Declarations and all being the property of the Insured or of others for which the Insured is responsible, on consignment or sold but not delivered. Coverage applies on such goods and merchandise while in transit between points and/or places in Canada and the continental United States of America in the custody of:

- a. Any railroad or railroad express company, including the risk while on ferries and/or in cars on transfers or lighters;
- b. Licensed public truckmen, land transfer and/or land transportation companies.

#### **II. ATTACHMENT**

This insurance attaches from the time the property insured leaves factory, store or warehouse at 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 at factory, store or warehouse at destination.

#### **III. LIMIT OF LIABILITY**

The Insurer shall not be liable for more than the amount of insurance stated on the Declarations in any one loss, casualty or disaster, either in case of partial or total loss, including salvage charges or any other charges or expenses or all combined.

#### **IV. VALUATION**

The insured property is agreed to be valued in the event of loss or damage at the actual invoice cost including prepaid freight together with such costs and charges since shipment as may have accrued and become legally due thereon and all premiums under this Policy shall be paid on this basis. In the event of there being no invoice, the valuation of the property insured shall be the cash market value of the article or articles insured at point of destination on the day of the disaster.

#### **V. 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 in any one occurrence.

Should one occurrence give rise to the application of more than one deductible, only the largest individual deductible amount shall apply.

#### **VI. PERILS INSURED**

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

#### **VII. PROPERTY EXCLUDED**

This Rider does not insure loss of or damage to:

- a. tarpaulins, tools, repair equipment, wrapping materials and equipment for loading and unloading which are carried on the vehicle(s) unless endorsed hereon;
- b. shipments carried gratuitously or as an accommodation;
- c. money, bullion, platinum and other precious metals and alloys, accounts, bills, plans, blueprints or other valuable papers, notes, securities, stamps, tickets and tokens, evidence of debt or title, jewellery, furs or other similar valuables;
- d. property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
- e. export or import shipments or risks by mail;
- f. paintings, statuary, other works of art and articles of virtu;
- g. property while waterborne except while being transported on any regular ferry or in or on railway cars or transfers in connection therewith;
- h. shipments that have been either refused or are returned by the receiver unless returned at the direction of the Insured and such shipments are declared to the Insurer for the purpose of computing premium as provided for herein;
- i. samples or containers while in the care, custody or control of the Insured's sales representatives;
- j. loss or damage caused in whole or in part by the illegal cultivation, harvesting, processing, storing, manufacturing, distribution or sale of cannabis, or any product derived from, or containing, cannabis, or any other substance falling under the Controlled Drug and Substances Act.

#### **VIII. PERILS EXCLUDED**

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

- a. by misappropriation, secretion, conversion, infidelity or any dishonest manner of acquiring possession 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 (bailees for hire excepted);
- b. resulting from inadequate packing, improper preparation for shipment, from insurance stowage when not stowed by the carrier or rough handling;
- c. by delay, loss of market, or loss of use or occupancy;
- d. by dampness or dryness of atmosphere, changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, change in flavour, colour or texture or finish, rust or corrosion, marring, scratching or crushing, breakage of glass or similar fragile materials, 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, windstorm or hail;
- e. by rodents, insects or vermin;

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- f. by loss or damage due to any dishonest, fraudulent or criminal act by the Insured, a partner thereof or an officer, director, trustee or employee thereof, whether acting alone or in collusion with others;
- g. by mysterious disappearance or shortage of property insured disclosed on taking inventory;
- h. in whole or in part, out of "Terrorism" or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate "Terrorism". This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the claim.

### IX. SPECIAL CONDITIONS

#### a. Reporting Clause

(This clause applies only if this Rider is on a Reporting Basis and an adjustment rate is shown on the Declarations):

- 1) The premium shown on the Declarations is provisional only.
- 2) The Insured shall render to the Insurer or its duly authorized agent within 6 months of the expiry of this Policy a statement showing the true actual value of all shipments of the preceding year's business. The rate stated on the Declarations shall be applied to the total value of all reported shipments and the earned premium determined.
- 3) If the earned premium so determined exceeds the provisional premium, then the Insured shall pay the Insurer forthwith the difference.
- 4) If the earned premium is less than the provisional premium then the Insurer shall refund the difference forthwith to the Insured, subject to a minimum retained premium of 50% of the provisional premium.
- 5) The Insurer or its duly authorized representative shall be permitted at all reasonable times during the term of the Policy or within a year after termination or expiration 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 the Rider.

#### b. 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.

#### c. 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 relabelling or rewrapping the property.

#### d. 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 goods and/or merchandise.

#### e. Other Insurance

Where there is other valid and collectible insurance providing indemnity for loss for which this Policy provides indemnity this Insurer shall be liable only for its rateable proportion of the loss.

#### f. 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 Rider, 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.

#### g. Reinstatement

Loss under any item of this Rider shall not reduce the applicable amount of insurance.

#### h. Report of Shipments and Premium Adjustment

- 1) It is a condition of this Rider that the Insured will keep an accurate record of all shipments of the insured property made 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 shipments.
- 2) The premium stated in this Policy is provisional. At the expiry date of this Policy the actual earned premium shall be calculated on the total value of shipments reported at the rate stated on the Declaration Page, per \$100.00 of shipments.

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 refund to the Insured the amount of the difference.

#### i. Records

It is warranted by the Insured that a detailed record of all property at risk hereunder will be maintained, which record shall be open for inspection by duly authorized representatives of the Insurer at all reasonable times during the Policy Period and for one year thereafter.

#### j. Impairment of Recovery

In the event of any loss or damage to property insured hereunder the Insured shall immediately make claim in writing against the carrier involved. In the event of any agreement by the Insured, prior or subsequent hereto, whereby any right of recovery of the Insured for loss or damage to any property insured hereunder, against any person or corporation, is released, impaired or lost, which would on acceptance of an abandonment or payment of a loss by the Insurer, have inured to its benefit, but for such agreement, the Insurer shall not be bound to pay any loss but its right to retain or recover the premium shall not be affected. The Insured may, however, without prejudice to this insurance accept such bill of lading, receipt or contracts of transportation as are ordinarily issued by carriers containing a limitation as to the value of goods or merchandise being transported.

#### k. Definitions

"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.