

Warehouse Legal Liability Form

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN CLAUSE 13.

1. INDEMNITY AGREEMENT

In the event that any of the insured property, as described in this policy, be lost, destroyed or damaged by the insured perils, 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, destruction or damage;
- (b) the interest of the Insured in the property;
- (c) the amount(s) of insurance stated herein in respect of the property lost, destroyed 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 said specified amount(s) of insurance.

If any of the insured property is necessarily removed from the location specified in this policy, to prevent loss, destruction or damage or further loss, destruction or damage, that part of the insurance under this form that exceeds the amount of the Insurer's liability for any loss already incurred shall, for seven (7) days only, or for the unexpired term of the policy if less than seven (7) days, insure the property removed and any property remaining in the location specified in the "Declaration Page(s)" in the proportions which the value of the property in each of the respective locations bears to the value of the property in them all.

DEBRIS REMOVAL EXTENSION

- i. Debris Removal: The Insurer will indemnify the Insured for expenses incurred in the removal from the "premises" of debris of the property insured, occasioned by loss or damage to such property, for which loss or damage insurance is afforded under this form.
- ii. Removal of Windstorm Debris: The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this form but which has been blown by windstorm upon a location specified on the "Declarations Page".

Extensions of coverage i. and ii. do not apply to costs or expenses:

- a. to "clean up" "pollutants" from land or water; or
- b. for testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

The above extensions of coverage shall not increase the amounts of insurance applying under this form and are subject to all conditions of this form.

2. INSURED PROPERTY

This Form insures the tangible personal property of others in the Insured's care, custody and control as a warehouseman, for which the Insured is legally liable, while located on the "premises" listed in the "Declaration Page(s)".

3. AMOUNTS OF INSURANCE

The Insurer is not liable under this form for more than the amount stated in the Declarations, in Canadian funds, exclusive of interests and costs.

4. EXCLUSIONS

- A. Losses Excluded** - This form does not insure any liability assumed by the Insured beyond that imposed by law in the absence of special agreement, nor for, or in respect of:
- (a) Money, bullion, securities, stamps, tickets and tokens, evidence of debt or title;
 - (b) Loss or damage from rodents, insects and vermin;
 - (c) Loss or damage caused by wear and tear, gradual deterioration, latent defect or inherent vice;
 - (d) Loss or damage caused by delay, loss of market or loss of use;
 - (e) Illegal sale or disposal of property by the Insured;
 - (f) Loss or damage caused directly or indirectly 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 (bailees for hire excepted);
 - (g) Mysterious disappearances or any loss or shortage disclosed on taking inventory;
 - (h) Loss or damage caused by or resulting from explosion, rupture, or bursting of pressure vessels over 610 millimetres (24 inches) in diameter, or boilers including all piping and apparatus attached to such pressure vessels or boilers, unless fire ensues and then only for the loss or damage caused by such ensuing fire;
 - (i) Mechanical or electrical breakdown;
 - (j) Loss or damage caused by or resulting from dampness of atmosphere, dryness of atmosphere, extremes or changes of temperature, heating, shrinkage, evaporation, loss of weight, leakage of contents, breakage of glass or similar fragile materials, marring, scratching, crushing, rust or corrosion, exposure to light, contamination, change in flavour or colour or texture or finish, unless such loss or damage to the property insured is caused directly by fire or the combating thereof, lightning, windstorm, hail, explosion (except as excluded under (h) above), strike, riot or civil commotion, impact by aircraft, spacecraft or land vehicles, sprinkler leakage, vandalism, malicious mischief, theft or attempted theft;
 - (k) Loss or damage caused directly or indirectly by:
 - i. any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
 - ii. contamination by radioactive material.
 - (l) Loss or damage to property illegally acquired, kept, stored or transported, or property seized or confiscated for breach of any law or by order of any public authority;
 - (m) Loss, destruction or damage caused by civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
 - (n) Liability assumed by the Insured under any contract or agreement wherein the Insured has released any other person or organisation from their legal liability;
 - (o) Loss of or damage to property caused directly or indirectly by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings therein, foundations, basement floors, sidewalks, sidewalk lights, or by the backing up of sewers, sumps, septic tanks or drains, unless concurrently caused by a peril not otherwise excluded hereunder;
 - (p) Forged warehouse receipts
- B. Pollution Exclusion** - This form does not insure against loss or damage caused directly or indirectly by any 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:
- (a) 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;
 - (b) to loss or damage caused directly by a peril not otherwise excluded under this form.

5. PERMISSIONS

Permission is granted:

- (a) to make additions, alterations or repairs;
- (b) to do such work and to keep and use such articles, materials, and supplies in such quantities as are usual or necessary to the Insured's business.

SPECIAL CONDITIONS

6. DEDUCTIBLE

Claims for loss or damage under this form shall be subject to a contribution by the Insured of \$1,000 in any one loss, unless a deductible is shown on the "Declaration Page(s)", in which case the deductible shown on the "Declaration Page(s)" shall apply. This deductible applies to the loss as a whole, regardless of the number of persons or organizations who sustain a loss.

The Insured shall not be called upon to contribute to costs or expenses incurred by the Insurer in the investigation or defence of any claim.

7. ADMISSION OF LIABILITY

The Insured shall not admit any liability and the Insurer reserves the right to compromise or contest, at its option, on behalf and in the name of but without expense to the Insured, any and all claims against the Insured in respect of liability covered by this form.

The Insurer is not liable for any expense or settlement incurred or made by the Insured without the written consent of the Insurer.

8. INVESTIGATION AND DISPOSITION

The Insured shall co-operate with the Insurer in facilitating the investigation and disposition of claims and actions and, upon the Insurer's request, shall attend hearings and trials and shall assist in the conduct of actions, in securing and giving evidence and in obtaining the attendance of witnesses.

9. NO BENEFIT TO OTHERS

It is warranted by the Insured that this insurance is intended only for the protection of the Insured and shall not inure to the benefit of any other person or corporation.

10. REPORTING CLAUSE

This clause applies only if this form is on a reporting basis and an adjustment rate is shown on the "Declaration Page(s)".

- (a) The premium shown on the "Declaration Page(s)" is provisional only.
- (b) The Insured agrees to keep an accurate record of Gross Revenues from the warehouse operations covered by this policy.
- (c) The Insured shall report to the Insurer or authorized agent or broker, within 30 days following the anniversary date of this policy, a true statement of the full amount of the Gross Receipts (collected and uncollected) during the policy term from:
 - i. Storage of goods;
 - ii. Handling of goods;
 - iii. Processing of goods
- (d) The Insured agrees to pay to the Insurer or authorized agent or broker the total earned premium due, at rates applying to each location covered under this Form, for the proceeding year.
- (e) The deposit premium under the policy will be applied to any earned premium. If the earned premium exceeds the deposit premium, an additional premium will be due and payable by the Insured. If the earned premium is less than the deposit premium, the Insurer will return the difference. In no event will the earned premium be less than the minimum premium shown on the "Declaration Page(s)".
- (f) 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 under this Form. Such inspection or examination shall not waive nor in any manner affect any of the terms or conditions of the form.

11. OTHER INSURANCE

The Insured agrees to avail himself of any other insurance whether prior to, subsequent to or simultaneous with this insurance to reduce the liability of the Insurer. The liability of the Insurer under this form shall be the excess of any amount so recovered under such other insurance.

12. REINSTATEMENT

Any loss hereunder shall not reduce the amount of insurance applicable to this form.

13. DEFINITIONS

Wherever used in this form:

- (a) "Clean Up" means the removal, containment, treatment, decontamination, detoxification, stabilisation, neutralisation or remediation of "pollutants", including testing which is integral to the aforementioned processes.
- (b) "Declarations Page(s)" means the Declarations Page applicable to this form;
- (c) "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;
- (d) "Premises" means the entire area within the property lines at the location(s) of the Insured described in the Declarations, including vehicles of the Insured within 100 metres (333 feet) of such area and also including areas under adjoining sidewalks and driveways, and in the open within 304.8 metres (1000 feet) of the property lines.