

Warehouse Legal Liability Form - MC03

INDEMNITY AGREEMENT

This insurer agrees to pay on behalf of the insured all sums which the insured shall become obligated to pay by reason of the liability imposed by law upon the insured as a warehouseman but not as a carrier for loss of or damage to the property insured.

The insurer further agrees:

- a) to defend any suit against the insured seeking damages on account of such loss of or damage to property, even if such suit is groundless, false or fraudulent;
- b) to pay in addition to the amount of insurance all costs taxed against the insured in any such suit, any interest accruing after entry of judgment upon that part of the judgment which is within the limits of the insurer's liability and all expenses incurred by the insurer for investigation, negotiation or defence.

PROPERTY INSURED

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)".

PERILS INSURED

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

PROPERTY EXCLUDED

This Form does not insure loss of or damage to:

- a) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;

PERILS EXCLUDED

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

- a) 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, strike, riot or civil commotion, impact by aircraft, spacecraft or land vehicles, sprinkler leakage, vandalism, malicious mischief, theft or attempted theft;
- b) by rodents, insects, or vermin;
- c) by delay, loss of market or loss of use;



- d) 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;
- e) by mechanical breakdown or derangement, faulty material or faulty workmanship;

Nor does this Form insure:

- f) mysterious disappearance or loss or shortage disclosed or taking inventory;
- g) wear and tear, gradual deterioration, latent defect or inherent vice;
- h) liability assumed by the insured under any contract or agreement, except liability imposed by law which would attach in the absence of such contract or agreement.
- i) 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;

CONDITIONS

A) 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 in the Declarations in any one occurrence.

B) LIMIT OF LIABILITY

The liability of the insurer shall be 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 of insurance set against each warehouse described in the Declarations.

C) 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.

D) ASSISTANCE AND COOPERATION

The Insured shall cooperate with the Insurer, and upon the Insurer's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits.



E) ASSUMPTION OF LIABILITY

The Insured shall not, except at his own cost, voluntarily make payment, or incur any expense other than to protect the "Property of Others" from further loss or damage.

F) OTHER INSURANCE

The Insurer shall not be liable if at the time of an accident or occurrence covered by this Form there is any other insurance that would have attached if this insurance had not been effected, and this insurance shall specifically exclude losses covered by such other valid insurance. This insurance shall apply only as excess insurance and in no event as contributing insurance and then only after all such other insurance has been exhausted.

The Insurer acknowledges the existence of any policies arranged to apply in excess of the insurance provided by this Form and it is agreed that notwithstanding anything contained in this Condition the insurance provided by such excess Policies shall be considered as excess and non-contributing insurance insofar as the insurance provided under this Form is concerned and shall be held to attach and cover only after the insurance under this Form has been exhausted.

DEFINITIONS

- (i) "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.
- (ii) "Property of Others" means lawful goods and merchandise accepted for shipment by the Insured under tariff, contract, bill of lading, shipping receipt or similar document.