

WAREHOUSE OPERATOR COVERAGE FORM

Words and phrases in quotation marks have special meaning and are defined in this Form or in the Commercial Common Agreements, Definitions, Exclusions and Conditions Form attached to this Policy

1. Indemnity Agreement

"We" will indemnify "you" for the liability imposed by law upon "you" as a warehouse operator resulting from the direct loss of property in "your" care, custody and control, to an amount not exceeding the least of:

- a) the actual cash value of the property at the time of loss or damage;
- b) "your" interest 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, "our" 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. Deductible

"We" are liable for the amount by which the loss or damage exceeds the amount of the deductible specified on the "Declaration Page" in any one "occurrence". If one "occurrence" could lead to the application of more than one deductible only the largest deductible will apply.

3. Property Excluded

"We" shall not be liable, nor shall this Form cover any claims or suits for loss, damage or destruction of the following property:

- a) animals, livestock, fish, birds and growing plant(s);
- b) jewels, jewellery, watches, pearls, precious and semi-precious stones, gold, silver, platinum, other precious metals and alloys, furs, garments trimmed with fur;
- c) money, bullion, notes, securities, stamps, accounts, bills, deeds, evidence of debt or title, letters of credit, passports, documents, tickets or tokens, valuable papers, original plans, original drawings and specifications, books of account (except for blank value);
- d) property illegally acquired, kept, stored or transported;
- e) property seized or confiscated for breach of any law or by order of any public authority;
- f) property used in whole or in part for the cultivation, harvesting, processing, manufacture, distribution or sale of marijuana or any product derived from, or containing, any substance falling within the Schedules of the Controlled Drugs and Substance Act, whether or not "you" are aware of such use of the property; or
- g) tobacco or tobacco products.

4. A. Perils Excluded

"We" shall not be liable, nor shall this Form cover any claims or suits for loss, damage or destruction to property caused by or resulting from, contributed to or caused directly or indirectly by:

- a) centrifugal force, mechanical or electrical breakdown or derangement in or on the "premises" unless fire ensues and then only for the loss or damage caused directly by such ensuing fire;
- b) damage sustained due to or resulting from any repairing, restoration or retouching process;
- c) dampness or dryness of atmosphere, changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of equipment or stock, contamination, exposure to light, 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 "Named Perils", rupture of pipes or breakage of apparatus not excluded under clause 3, Property Excluded, by theft or attempted theft or accident to transporting conveyance. Damage to pipes caused by freezing is insured provided such pipes are not excluded under Clause 3. Property Excluded;
- d) delay, loss of market, loss of use, loss or shortage disclosed on taking inventory;
- e) earthquake, except for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from "fire protective equipment", all as described in "Named Perils";
- f) flood, including waves, tides, tidal waves, tsunamis, or the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made, but this exclusion does not apply to ensuing loss or damage which results directly from fire, explosion, smoke, leakage from "fire protective equipment" or leakage from a water main;
- g) forged warehouse receipts;
- h) liability assumed by "you" upon contract with another except as specifically provided for in the Special Conditions of this Form;

- i) misappropriation, secretion, conversion, illegal sale, infidelity or any dishonest, fraudulent or criminal act by “you” or other party of interest, employees or agents of “yours” or any person or persons to whom the property may be entrusted whether acting alone or in collusion with others;
- j) moths, rodents, raccoons, skunks, birds, insects or vermin;
- k) mysterious disappearance;
- l) the ownership, maintenance, operation, use, loading or unloading of any “automobile(s)”;
- m) seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows, or other openings therein, foundations, basement floors, sidewalks or sidewalk lights or the backing up of sewers, sumps, septic tanks or drains unless concurrently and directly caused by a peril not otherwise excluded in this Form; or
- n) wear and tear, mechanical breakdown, gradual deterioration, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, inherent vice or faulty or improper material, workmanship or design.

B. Common Exclusions

This Form does not insure against loss or damage caused directly or indirectly by the exclusions below as defined on the Commercial Common Agreements, Definitions, Exclusions and Conditions Form (COMM) which form part of this Policy.

- Automobiles
- Aircraft
- By-law
- Data
- Disease, Illness or Infection
- Electrical Current
- Fungi and Spores
- Nuclear Incident
- Pollution
- Terrorism
- Vacant Property
- War
- Unmanned Air Vehicle Systems

5. Permissions

Permission is hereby granted:

- a) for other insurance, concurrent with this Form;
- b) to make additions, alterations or repairs;
- c) 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.

6. Extensions of Coverage

The following extensions of coverage shall not increase the amounts of insurance applying under this Form and are subject to all conditions of this Form:

- a) **Removal:** As defined on the Commercial Common Agreements, Definitions, Exclusions and Conditions form (COMM) which forms part of this Policy.
- b) **Debris removal:** As defined on the Commercial Common Agreements, Definitions, Exclusions and Conditions form (COMM) which forms part of this Policy.
- c) **Removal of Windstorm Debris:** As defined on the Commercial Common Agreements, Definitions, Exclusions and Conditions form (COMM) which forms part of this Policy.

7. Special Conditions

Action Against Insurer: No action shall lie against “us” unless, as a condition precedent thereto “you” shall have fully complied with all the terms of this Form, nor until the amount of “your” obligation to pay shall have been finally determined either by judgment against “you” after actual trial or by written agreement of “you”, the claimant and “us”.

Every action or proceeding against “us” shall be commenced within one year after the cause of action arose and not afterwards.

Admission of Liability: “You” shall not admit any liability and “we” reserve the right to compromise or contest, at its option, on behalf and in the name of but without expense to “you”, all claims against “you” in respect of liability covered by this Form. “We” are not liable for any expense or settlement incurred or made by “you” without “our” written consent.

Investigation and Disposition: “You” shall co-operate with “us” in facilitating the investigation and disposition of claims and suits and, upon “our” request, shall attend hearings and trials and shall assist in the conduct of suits, in securing and giving evidence and in obtaining the attendance of witnesses.

Labels: In case of loss affecting labels, capsules or wrappers, the loss shall be adjusted on the basis of an amount sufficient to pay the cost of new labels, capsules or wrappers, and reconditioning the goods.

Storage Contract Condition: It is agreed that all property accepted for storage by "you" shall be subject to the terms and conditions of "your" standard storage contract which must be signed by the customer or the authorized representative upon delivery of the property to "you" or as soon thereafter as practicable.

Specific Statutory Condition: If any condition of this Form relating to the limitation of time for notice of loss or for any legal proceeding is at variance with any specific statutory condition which would otherwise inure to "your" benefit, such specific statutory condition shall be substituted for such condition.

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 "you" from recovery under this Form, the breach shall not disentitle "you" from recovery if "you" establish 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 "you" have no control.

9. Reinstatement

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

10. Reporting Clause

(Applicable only if stated to be on a reporting basis on the "Declarations Page" and an adjustment rate is shown therein).

"You" shall render to "us" or our duly authorized representative within 6 months of the expiry of this Policy a statement showing the true and correct amount of "gross receipts" (whether collected or not) of the preceding year's business. The rate stated on the "Declarations Page" shall be applied to the "gross receipts" figure duly reported and the earned premium determined.

If the earned premium so determined exceeds the provisional premium, "you" shall pay "us" the difference.

If the earned premium is less than the provisional premium then "we" shall refund the difference to "you", subject to a minimum retained premium of 50% of the provisional premium.

"We", or "our" 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 "your" books, records and such policies as relate to any property insured hereunder. Such inspection or examinations shall not waive nor in any manner affect any of the terms or conditions of the Policy.

11. Definitions

Wherever used in this Form:

- 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) "**Gross Receipts**" means all charges for storage of goods including handling, loading and unloading thereof.
- c) "**Occurrence**" means continuous or repeated exposure to substantially the same general harmful conditions.