

Throughout this policy, the terms you and your pertain to the named insured provided in the Declarations. The terms we, us and our, pertain to the insurance company. Terms in quotation marks throughout this form are further defined in Part VI of this form. Some provisions in this policy restrict coverage. Be sure to read the entire policy to determine your rights and duties, plus what is and is not covered.

I. COVERAGE

We will pay for direct physical accidental "loss" from any covered causes of "loss" to "covered cargo".

A. Covered Causes of "Loss"

Covered causes of "loss" means "loss" for which you are legally liable while cargo is in your care, custody or control as a carrier from the following causes:

1. Fire, lightning or explosion.
2. Windstorm.
3. Collision of a "scheduled vehicle" with another vehicle or object.
4. Overturn of a "scheduled vehicle".
5. Collapse of bridge, wharf, dock, platform or culvert.
6. Stranding, sinking, burning, or collision of any regular ferry including general average and salvage charges.
7. Flood, meaning the rising of any natural body of water.
8. Theft, but excluding pilferage by you, anyone else with a financial interest in the cargo, your or their employees or authorized representatives or anyone else entrusted with the cargo, whether acting alone or in collusion with other person, whether occurring during the hours of employment or otherwise.

B. Cargo Not Covered

"Covered cargo" does not include:

1. Contraband or cargo illegally being transported.
2. Explosives, fireworks or radioactive material.
3. Securities or evidences of debt.
4. Money, currency, gold or silver bullion or platinum.
5. Precious stones, jewelry or similar valuables.
6. Animals, unless death results or is made necessary within twenty-four (24) hours by a "loss" not otherwise excluded, or unless they escape or stray away from the "loss" scene and cannot be located, but only if the escape or straying is caused by or results from a "loss" not otherwise excluded.
7. Cargo on a "scheduled vehicle" at any location for more than seventy-two (72) hours from the time the "scheduled vehicle" arrived at the that location.
8. Cargo at a "scheduled location" for more than thirty (30) days from the time the cargo arrived at the "scheduled location".
9. Baled cotton, unless the cotton has been ginned seventy-two (72) hours prior to the time of loading on "scheduled vehicle".

C. Extensions of Coverage

1. Debris Removal

We will pay your expense to remove the debris of "covered cargo" as a result of a covered cause of "loss". The most we will pay in any one occurrence is \$10,000. This limit is in addition to the Limit of Liability shown on the Declarations Page.

2. Freight Charges

We will pay the earned freight charges you are unable to collect as a result of a covered cause of "loss". The most we will pay in any one occurrence is \$1,000. This limit is in addition to the Limit of Liability shown on the Declarations Page.

3. Sue & Labor

We will reimburse reasonable and necessary expenses you incur solely to save and protect "covered cargo" from imminent "loss". The most we will pay in any one occurrence is \$5,000. This limit is in addition to the Limit of Liability shown on the Declarations Page.

II. EXCLUSIONS

- A. We will not pay for "loss" caused directly or indirectly, or in whole or in part, by any of the following, or which results in or from

any of the following:

1. Loss of use or loss of market.
2. Delay, whether or not the delay is caused by a covered cause of "loss".
3. Abandonment of "covered cargo".
4. Dishonest acts by you, anyone else with a financial interest in the cargo, your or their employees or authorized representatives or anyone else entrusted with the cargo, whether acting alone or in collusion with other persons, whether occurring during the hours of employment or otherwise.
5. Your neglect to use all reasonable means to save and preserve the cargo at the time of and after any covered cause of "loss".
6. Liability assumed under a written or oral contract beyond that imposed by law on a common carrier for hire.

B. We will not pay for "loss" caused directly or indirectly by any of the causes listed below. Such losses are excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss":

1. War and military action.
 - (a) War, including undeclared or civil war.
 - (b) Warlike action by a military force, including action in hindering or defending against an actual or expected attack by any government sovereign or other authority using military personnel or other agents.
 - (c) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.
2. Nuclear Hazard
 - (a) Any weapon employing atomic fission or fusion.
 - (b) Nuclear reaction or radiation or radioactive contamination from any other cause.
3. Governmental action destruction or seizure of property by order of governmental authority. But we will pay for "loss" made necessary by acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this coverage form.

III. DEDUCTIBLE

We will not pay for "loss" in any one occurrence until the amount of the adjusted "loss" exceeds the deductible amount shown on the Declarations Page. We will then pay the amount of the adjusted "loss" in excess of the deductible up to the applicable Limit of Liability.

IV. LIMIT OF LIABILITY

The most we will pay in any one occurrence for "loss" to cargo:

1. on a "scheduled vehicle" is the Limit of Liability for that "scheduled vehicle" shown on the Declarations Page;
2. at a "scheduled location" is the Limit of Liability for that "scheduled location" shown on the Declarations Page;
3. on an owned "newly acquired vehicle" is the lowest limit for any "scheduled vehicle" shown on the DeclarationsPage(any "newly acquired vehicle" designated or described on the Schedule will be considered a covered vehicle you own and not a covered vehicle you hire, borrow or "lease");

but no more than the "Catastrophe Limit" shown on the Declarations Page.

V. OTHER TERMS

In addition to the conditions shown in IM 05 CW 0906, the following terms apply to this policy:

A. Territory: "Covered cargo" only while located in the United States of America and Canada.

B. Fines, Assessment or Penalties

We will not pay any costs, penalties, or punitive damages as a result of your violation of any law or regulation.

C. Filing Reimbursement

You must reimburse us for any payment we make solely because of a federal, state or provincial filing we have made under the policy on your behalf. Reimbursement must be made within fourteen (14) days of our notice to you.

VI. DEFINITIONS

A. "Loss" means direct physical accidental loss or damage.

B. "Scheduled vehicle" means a vehicle listed on the Declarations Page as a "scheduled vehicle".

"Scheduled vehicle" also means:

1. A vehicle which permanently replaces a vehicle you previously owned that had coverage on this policy. You must report the

change and tell us you want us to cover the replacement vehicle within thirty (30) days of acquiring it.

2. A temporary non-owned substitute vehicle used with the permission of its owner as a temporary substitute for a vehicle you own that is covered on this policy and is out of service because of its breakdown, repair, servicing, loss, or destruction.
3. An owned additional "newly acquired vehicle" but only if we already cover all vehicles you own that are used to transport cargo. You must report the "newly acquired vehicle" and tell us you want us to cover it within thirty (30) days of acquiring it.
4. Any trailer while physically attached by the insured or the insured's authorized representative to a "scheduled vehicle".

- C. "Scheduled location" means the physical location as described on the Declarations Page.
- D. The "Catastrophe Limit" is the most we will pay for any one event or continuing events resulting in "loss" to "covered cargo" regardless of the number of "scheduled vehicles" or "scheduled locations" involved.
- E. "Lease" refers to a motor vehicle that is titled in the name of a leasing company but operated by the named insured (the lessee) for a specified period and lease payment.
- F. "Newly acquired vehicle" means an owned motor vehicle titled to the named insured and reported to us within 30 days of acquisition.
- G. "Covered cargo" means cargo of others in transit under one of the following written documents issued by you: bill of lading, tariff or shipping receipt. The cargo must be on a "scheduled vehicle" or at a "scheduled location".