

Motor Carrier's Cargo Liability

Named Perils Form (Scheduled Vehicles)

This policy is subject to the Limits of Coverage stated in the Commercial Inland Marine Declarations Page as applicable to this insurance and to the exclusion, conditions and all other terms of the policy not expressly modified herein:

1. **This policy covers** the legal liability of the insured as a common or contract carrier under tariff documents, bills of lading or shipping receipts issued by the Insured in connection with its transportation service, for direct loss or damage to property belonging to shippers or consigners (hereinafter called "cargo") while within the limits of the Continental United States (excluding Alaska), and Canada.
2. **This policy does not cover** the liability of the Insured for the payment of fines, assessments, damages, attorney's fees, court costs or any other penalties which the Insured shall be required to pay as a result of the violations of any law or regulation relating to any delay in the payment, denial or settlement of any claim for loss.
3. **Limits of Coverage:**
 - (a) Limit per vehicle: The limit of insurance applicable to each which shall be as stated in the Declarations page as to property while being transported in or on any one vehicle;
 - (b) Disaster Limit: Subject to the specific limit of insurance applicable to any one vehicle as provided in (a) of this paragraph, or to any other specific limit of liability provided elsewhere in this policy, the Company's aggregate limit of liability for all loss or damage resulting from one casualty or disaster shall not exceed the amount stated in the Commercial Inland Marine Declarations Page.
 - (c) The Limits of Coverage described in (a) and (b) of this paragraph are modified as follows:
 - (1) The Company's liability for loss by theft of furs, garments trimmed with fur, alcoholic beverages (excluding beer), wine, tobacco and tobacco products, or any combination of these commodities, shall not exceed 10% of the specified limit of liability in any one loss;
 - (2) Any cargo in or on any vehicle under the control of the Insured is not covered after such vehicle has remained at any unscheduled location for more than 72 hours after arrival of the vehicle at such location.
4. **Deductible.** Each claim for loss or damage, separately occurring, shall be adjusted separately and from the amount of each such adjusted claim, the applicable limit of insurance or the applicable limit of liability, whichever is less, there shall be deducted the Deductible Amount specified in the Declarations.
5. **Perils Insured Against.** The insurance afforded by this Policy hereby limited to cover only loss or damage directly caused by:
 - (a) Fire, lightning, explosion;
 - (b) Accidental collision of a vehicle scheduled herein with any other vehicle or object;
 - (c) Overturning of a vehicle scheduled herein;
 - (d) Collapse of bridges or culverts;
 - (e) Windstorm;
 - (f) Perils of the seas, lakes, rivers and/or inland waters while scheduled vehicle(s) are on ferries only, including general average and salvage charges for which the Insured is legally liable;
 - (g) Earthquake (excluding coverage for loss or damage caused by tidal wave). One example of tidal wave is a tsunami. Therefore coverage under this form does not include loss or damage caused by a tsunami even if the tsunami results from Earthquake.
6. **Exclusions.** This policy does not apply to any liability of the Insured for loss or damage to:
 - (a) Cargo in the custody of any other carrier if the Insurer's rights of subrogation against such other carrier have been waived or made unenforceable;
 - (b) Patterns, templates, blueprints, accounts, bills, currency, evidences of debts, securities, money, notes, precious metals, jewelry, paintings, statuary, other works of art;
 - (c) Animals except against accident causing death or rendering death necessary;
 - (d) Flood (meaning rising of natural bodies of water);
 - (e) Theft on an entire shipping piece or package, or theft of an entire load;
 - (f) Loss or damage to paintings, statuary, and other works of art and articles of virtu, except against absolute total loss in specie caused by a peril insured against;
 - (g) Live stock except against total loss only or injury rendering death immediately necessary in consequence of a peril insured against.

Nor to loss or damage caused by or resulting from:

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- (h) [1] hostile or warlike action in time of peace or war, including action in hindering, combating defending against an actual, impending or expected attack, (a) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or (b) by military, naval or air forces; or (c) by an agent of any such government, power, authority or forces; [2] any weapon of war employing atomic fission or radioactive force whether in time of peace or war; [3] insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such occurrence, seizure or destruction under quarantine or Customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade;
 - (i) Nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this policy; however, subject to the foregoing and all provisions of this policy, direct loss by fire resulting from nuclear, reaction or nuclear radiation or radioactive contamination is insured against by this policy;
 - (j) Infidelity or any dishonest act committed, alone or in collusion with others, by any Insured, partner, joint adventurer, director, trustee or employee of the Insured or by person or persons to whom the property may be entrusted.
And does not apply to any liability of the Insured for:
 - (k) Loss or damage due to inherent vice, or delay, loss of profit, loss of use or loss of market;
 - (l) Loss or damage caused directly or indirectly by the cargo or any portion thereof coming into contact with any other object unless the carrying vehicle also collides with such object;
 - (m) Loss or damage caused by breakage of eggs unless directly caused by a peril insured against and then only if the loss amounts to 50% of the value of each shipping package, each package to be considered as if separately insured but this Company shall in no event be liable for loss by breakage of eggs in excess of 25% of the limit of liability applicable to the vehicle upon which the loss shall happen;
7. **Valuations.** All cargo for which the Insurer's legal liability is insured hereunder is by agreement valued at the amount of invoice or if not under invoice then at cash market value on date and place of shipment, except however, the liability of the Company shall not exceed the value as shown in tariff documents, bills of lading or shipping receipts, if any, nor shall the Company's liability in any event exceed what it would then cost to repair or replace the cargo lost or damaged with other of like kind and quality.

Conditions

8. **Coinsurance.** The Company shall in no event be liable under this policy for a greater proportion of any loss collectible hereunder:
- (a) than the limit applicable under this Policy to the vehicle involved bears to the total liability of the Insured for all cargo on such vehicle whether damaged or not;
 - (b) as to cargo unloaded from scheduled vehicles, than the disaster limit under this Policy bears to the total liability of the Insured for all cargo at risk hereunder, whether damaged or not; provided always that the Company shall in no event be liable for more than the applicable limit of liability.
9. **Automatic Coverage.** If the Insured acquires ownership of another vehicle to replace a vehicle described in this policy, such insurance as is afforded by this Policy on the replaced vehicle is transferred to such new vehicle as of the date of its delivery to the Insured. If all vehicles owned and operated by the Insured are scheduled herein and an additional vehicle is acquired, such insurance as is afforded by this Policy applies to such new vehicle as of the date of its delivery to the Insured, in an amount equal to the lowest limit of liability applying to any vehicle scheduled. The Insured agrees, in either event, to notify the Company within thirty days following the date of delivery of such other vehicles and to pay additional premium if required, because of the application of this insurance to this such other vehicle. In event of mechanical breakdown of, or accident to, any vehicle hereunder the Insured may substitute another vehicle whether owned by the Insured or not, without notice to the Company, for the purpose of completing the transportation of the property contained in or on such disabled vehicle.
10. **Assignment of Policy.** This Policy shall be void if assigned or transferred without the written consent of the Company.
11. **Other Insurance.** This insurance is null and void so far as concerns any loss to the extent of any other valid and collectible insurance by whomsoever effected, directly or indirectly covering liability of the Insured for the same cargo whether concurrent, prior or subsequent, hereto in date.

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12. **Protection of the Cargo after Loss.** In the event of loss or damage caused by the risks and perils insured against, if shall necessary for the Insured to use all lawful and proper efforts for the safeguard and recovery of the cargo or its value without prejudice to this insurance, and the Company will contribute to the just and reasonable charges thereof in such proportion as the sum named in this Policy bears to the whole value at risk. And it is mutually agreed that the acts of either party of their agents in securing, preserving or recovering the cargo insured shall not be considered or held to be either a waiver or acceptance of abandonment.
13. **Admission of Liability.** The Insured shall not voluntarily admit any liability nor settle any claims nor incur any expenses (except as provided for in the preceding paragraph) without the specific authority of the Company, nor shall they interfere with any negotiations for settlements carried on between the Company and the owners of the property. In the event of legal action being brought against the Insured in respect to alleged loss or damage which might constitute a claim under this Policy, the insured shall give immediate notice to the Company, and the Company reserves the right at its sole option to defend such action in the name and on behalf of the Insured and will pay all the legal expenses incurred by the Company in connection with any action it undertakes to defend, also any judgment against the Insured subject, however, to all the valuations and limitations provided for herein. The Insured, whenever requested, shall aid in securing information and evidence and the attendance of witnesses. The Company shall have the right to settle any claim or suit at its own cost at any time.
14. **Examination under Oath.** The Insured shall submit and so far as is within his or their power shall cause all other persons interested in the cargo, including any employees, to submit to examinations under oath by any persons named by the Company relative to any and all matters in connection with a claim and subscribe the same; and shall produce for examination all books of account, bills, invoices and other vouchers or certified copies thereof, if originals be lost, at such reasonable time and place as may be designated by the Company or its representatives and shall permit extracts and copies thereof to be made.
15. **Automatic Reinstatement.** Any loss hereunder shall not reduce the amount of the Policy.
16. **Inspection of Records.** All books, accounts, and records of the Insured with reference to: (a) any claims for loss or damage to which this Policy may apply and (b) the premium basis of the is insurance, including those required to be kept by the Insured under any statute, or under any rule or regulation of any state or by federal authority or agency shall be open to inspection at reasonable times by any duly authorized representative of the Company.
17. **Statutory Endorsements-Reimbursement of Company.** In consideration of the issue of this Policy, the Insured by its acceptance agrees as follows:
Notwithstanding any endorsements forming a part of this Policy in conformity to the requirements of Federal Laws or Laws of any State in which the Insured may operate and of regulations issued under authority thereof, it is agreed that as between the Insured and the Company no liability attaches for any loss or damage beyond the express provisions of the Policy and other endorsements thereto, and all terms, conditions and limitations in the Policy are to remain in full force and effect as binding between the Insured and the Company. The Insured agrees to reimburse the Company for any payment made by the Company that the Company would not have been obligated to make under the provisions of the Policy except for the agreements in said endorsements under requirement of said Laws and governmental regulations.
18. **Cancellation.** This Policy may be canceled by the Insured by mailing to the Company written notice stating when thereafter such cancellation shall be effective. This Policy may be cancelled by the Company by mailing to the Insured at the address shown in this Policy or last known address written notice stating when not less than ten (10) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice and the effective date of cancellation stated the notice shall become the end of the policy period. Delivery of such written notice either by the Insured or by the Company shall be equivalent to mailing.
If the Insured cancels, earned premiums shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premiums shall be computed pro rata. Premium adjustment may be made at the time cancellation is effective and, if not then made, shall be made as soon as practicable after cancellation becomes effective. The Company's check or the check of its representative mailed or delivered as aforesaid shall be sufficient tender of any refund of premium due to the insured.
19. **Terms of Policy Conformed to Statue.** Terms of this Policy which are in conflict with the statues of the State wherein this Policy is issued are hereby amended to conform to such statutes.
20. **Other Provisions.** The terms and conditions of this form wherein they conflict are to be regarded as additional to those of the policy to which it is attached and so far as they are inconsistent therewith are to supersede the same.