

## WAREHOUSEMAN'S LEGAL LIABILITY

**Words and phrases in quotation marks have special meaning as defined in Clause 11 or the Commercial Common Agreements, Definitions, Exclusions and Conditions attached to and forming part of this policy.**

### **1. Indemnity Agreement**

- a. The Insurer will pay those sums that the insured becomes legally obligated to pay as "compensatory damages" because of "property damage" to which this insurance applies. The insurance applies to "property damage" to the moveable property of others while in the care, custody or control of the Insured for storage. The Insurer will have the right and duty to defend the Insured against any "action" seeking those "compensatory damages". However, the insurer will have no duty to defend the Insured against any "action" seeking "compensatory damages" for "property damage" to which this insurance does not apply. The Insurer may, at the Insurer's discretion, investigate an "occurrence" and settle any claim or "action" that may result. But:
  - i. The amount the Insurer will pay for the "compensatory damages" is limited as described in Clause 3 and is subject to the deductible shown in clause 4; and
  - ii. The Insurer's right and duty to defend ends when the Insurer has used up this Form's limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered, unless explicitly provided for under Clauses 5 and 6.

- b. This insurance applies to "property damage" only if:
  - i. The "property damage" is caused by and "occurrence" that takes place at the "premises"; and
  - ii. The "property damage" occurs during the policy period

### **2. A. Excluded Property**

This insurance does not apply to "compensatory damages" arising out of "property damage" to:

- a. "Money", securities, stamps, tickets and tokens or evidence of debt.
- b. Property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority.

### **2. B. Excluded Perils**

This Insurance does not apply to "compensatory damages" arising out of "property damage" caused directly or indirectly;

- a. By rodents or vermin. This exclusion does not apply to loss or damage caused directly or indirectly by a peril not otherwise excluded in this form.
- b. By delay, loss of market or loss of use.
- c.
  1. By any dishonest or criminal act committed by the Insured or agent of the Insured, Acting alone or in collusion with others;
  2. By theft or attempted theft committed by any employee of the Insured, acting alone or in collusion with others;
  3. By any dishonest or criminal act committed by anyone, except as stated in c.2 when the Insured or any agent of the Insured knew or ought to have known prior to the loss or damage, of the dishonest or criminal act.

Exclusion c.2 does not apply to physical damage caused directly by an employee of the insured which results from a peril not otherwise excluded in this form.

Exclusion c.3 does not apply if, upon becoming aware of the dishonest or criminal act, the insured or agent of the Insured immediately notifies the police and the Insurer.

- d. By mechanical breakdown. This exclusion does not apply to loss or damage caused directly by resultant fire.
- e.
  1. By dampness or dryness of atmosphere
  2. By changes in temperature, heating or freezing;
  3. By total or partial interruption to the supply of electricity, water, gas or steam
  4. By shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, or change in colour or texture of finish;
  5. By marring or scratching

This exclusion e. does not apply to:

- i. Loss or damage caused directly by rupture of pipes or breakage of apparatus
  - ii. Loss or damage caused directly by a peril not otherwise excluded in this form
- f. This insurance does not apply to liability for:
  1. Wear and tear
  2. Rust or corrosion
  3. Gradual deterioration, latent defect or any quality in property that causes it to damage or destroy itself.
  4. Mysterious disappearance, or shortage disclosed on taking inventory

### 3. **Limit of Insurance**

The limit of insurance shown on the “Declaration Pages(s)” for the Form is the most the Insurer will pay in “compensatory damages” for any one “occurrence”, regardless of the number of:

- a. Insureds,
- b. Claims made or “actions” brought , or
- c. Persons or organizations making claims or bringing “actions”.

### 4. **Deductible**

- a. The Insurer’s obligation to pay “compensatory damages” on the Insured’s behalf applies only to the amount of “compensatory damages” in excess of any deductible amount shown on the “Declaration Page(s)” for this Form. The limit of insurance for each “occurrence” will be reduced by the amount of such deductible.
- b. The deductible amount applies to all “compensatory damages” because of “property damage” as the result of any one “occurrence”, regardless of the number of persons or organizations who sustain “compensatory damages” because of that “occurrence”.
- c. The terms of this insurance, including those in respect to:
  1. The Insurer’s right and duty to defend any “action” seeking those “compensatory damages”, and
  2. The Insured’s duties in the event of an “occurrence”, claim or “action” apply irrespective of the application of the deductible amount.
- d. The Insurer may pay any part or all of the deductible amount to effect settlement of any claim or “action” and, upon notification of the action taken, the Insured shall promptly reimburse the Insurer for such part of the deductible amount as has been paid by the Insurer.

### 5. **Defense and Investigation Costs**

The Insurer will pay, with respect to any claim the Insurer investigates or settles, or any “action” against the Insured the Insurer defends:

- a. All expenses the Insured incurs
- b. The cost of bonds to release attachments, but only for bond amounts within the limit of insurance. The Insurer does not have to furnish these bonds.

- c. All reasonable expenses the Insured incurs at the Insurer's request to assist the Insurer in the investigation or defence of the claim or "action", including actual loss of earnings because of time off from work.
- d. All cost assessed or awarded against the Insured in the "action"
- e. Any interest accruing after entry of judgment upon that part of the judgment which is within the limit of insurance and before the Insurer has paid, offered to pay, or deposited in court the part of the judgment that is within the limit of insurance.
- f. These payments will not reduce the limit of insurance.

## **6. Coverage Extensions**

The following coverage extensions shall not reduce the limit of insurance for this Form. The extensions are subject to all the condition of this Form and the Commercial Common Agreements, Definitions, Exclusions and Conditions Form

- a. **Removal:** If any of the insured property is necessarily removed from the "premises" to prevent "property damage" to or further "property damage" to such property, this insurance shall, for 7 days only, or for the unexpired term of the policy if less than 7 days, insure the Insured's liability for "property damage" to such removed property.
- b. **Debris Removal:** The insurer will indemnify the Insured for reasonable and necessary expenses incurred in the removal from the "premises" of debris of the insured property, occasioned by "property damage" to such property, for which "property damage insurance is afforded under this Form.

This extension does not apply to costs or expenses:

- 1. To "clean up" "pollutants" from land or water; or
- 2. For testing, monitoring, evaluation or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants"
- c. **Labels:** In case of "property damage" affecting labels, capsules or wrappers, the Insurer shall reimburse the Insured for the cost of new labels, capsules or wrappers and for reconditioning the affected property.

## **7. Permissions**

Permission is granted:

- 1. To make additions, alterations or repairs
- 2. 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

## **8. Reinstatement**

Any claim made under this Form shall not reduce the limit of insurance

## **9. Co-operation by Insured**

The Insured shall co-operate with the Insurer in facilitating the investigation and disposition of claims and "actions". If requested by the Insurer, the Insured shall attend hearings and trials, shall assist in effecting settlements, securing and giving evidence and obtaining the attendance of witnesses.

**10. Admission of Liability**

The Insured shall not, except at the Insured's own cost, voluntarily admit any liability, incur any cost (except as permitted by Clause 5) or settle any claim or "action" without the prior written consent of the Insurer.

**11. Definitions**

- a. "Clean up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutant", including testing which is integral to any of these processes.
- b. "Data Problem" means:
  - 1. Erasure, destruction, corruption, misappropriation, misinterpretation of "data"
  - 2. Error in creating, amending, entering, deleting or using "data"; or
  - 3. Inability to receive, transmit or use "data"
- c. "Declaration Page(s)" means the Declaration Page(s) applicable to this form
- d. "Fire Protective Equipment" includes tanks, watermains, hydrants, valves and any other equipment whether used solely for fire protection and for other purposes, but does not include:
  - 1. Branch Piping from a joint system where such branches are used entirely for purposes other than fire protection;
  - 2. Any watermains or appurtenances located outside of the "premises" and forming a part of the public water distribution system;
  - 3. Any pond or reservoir in which the water is impounded by a dam.
- e. "Premises" means the entire area within the property lines and areas under adjoining sidewalks and driveways at each location described on the "Declaration Page(s)" to which this form applies and in or on vehicles within 100 meters (328 feet) of such locations.