



THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

**TRANSPORTATION BROKERS LIABILITY AND CONTINGENT
CARGO LIABILITY COVERAGE ENDORSEMENT**

This endorsement modifies insurance provided by your:

MOTOR TRUCK CARGO COVERAGE FORM (Carriers' Liability)

I. Section A.1. Covered Property is amended to read as follows:

Covered Property as used in this Coverage Form means personal property of others for which:

- a. you have arranged transportation;
- b. has been accepted by a common or contract truck, rail or air carrier;
- c. the carrier has issued a bill of lading.

We will pay for "loss" to Covered Property only while it is:

- a. in "transit" by truck, rail or air and/or during "loading" or "unloading," or
- b. contained in or on a vehicle at premises, from the time that the carrier takes physical custody of the property until acceptance by (or on behalf of) the consignee.

Coverage does not apply to "loss" to any property at any premises while it is held for storage and/or for which a storage charge is incurred.

II. Section A.3. Covered Causes of Loss is amended to read as follows:

Covered Causes of Loss means:

a. Transportation Brokers Liability

Your legal liability, including contractual liability, as a transportation broker for direct physical "loss" to Covered Property (except those causes of "loss" listed in **B. Exclusions**) resulting from breach of legally imposed duties to your customer(s) to:

- (1) select a competent carrier; and/or
- (2) perform other related transportation intermediary services (such as preparation of documents, filing claims with carriers and similar activities).

b. Contingent Cargo Liability Coverage

Direct physical "loss" to Covered Property (except those causes of "loss" listed in **B. Exclusions**) when:

- (1) the carrier you selected (and/or their connecting carrier) is legally liable for the "loss," and
- (2) you have made "reasonable efforts" on behalf of your customer to collect the amount of the "loss" from the appropriate carrier(s), but have been unable to do so, because:

(a) the carrier(s) responsible for the "loss" is unable to pay; and

(b) the "loss" amount is not collectible (in whole or in part) from their carrier's liability insurance, because the insurance is:

i. not in force at the time of "loss," or

ii. insufficient in amount; or

iii. excludes the "loss," or

iv. provided by an insolvent insurer.

III. Section E. **Additional Conditions** is amended as follows:

Paragraph 6. **Records** is amended to read:

6. Records

You will keep accurate records of your transportation broker business for each of the following:

a. your business income from transportation broker activities, including uncollected receivables (before deduction of uncollectible debts) and excluding transportation costs paid to carriers; and

b. all costs paid to carriers for transporting property.

You will retain these records for at least 3 years after the policy period ends.

Paragraph 9. **Reporting**, subparagraph a. is amended to read:

a. Reports

Within 15 days after the end of each reporting period shown in the Declarations, you will report to us your business income from transportation broker activities:

(1) including uncollected receivables (before deduction of uncollectible debts); and

(2) excluding transportation costs paid to carriers.

Paragraph 11. is added.

11. No coverage will apply unless the following conditions have been met:

Prior to the "loss":

a. the carrier which you select has furnished to you evidence of insurance of carriers liability insurance, with limits equal to, or greater than, the carrier's full bill of lading liability for shipments which are offered to them; and

b. the evidence of such insurance provided by the carrier, shows that the policy was in force (during the policy term) on the date custody of such shipment is given to the selected carrier.

Paragraph 12. is added.

12. Time of Loss Payment and Recovery from the Carrier

We will not pay your "loss" until a period of at least 90 days have elapsed from the date of "loss."

However, you agree to report to us any "loss" which could exceed your deductible amount, as soon as it is known to you.

At our option, we may take action to make recovery from a carrier in your name or in the name of your customer.

Paragraph 13. is added.

13. No Stacking of Limits

In the event of a "loss" that is covered by this insurance and also:

a. is covered by another carrier's liability insurance policy issued by us; and

- b. you or a related company (such as a parent, subsidiary, sister company under common ownership, or any similar relationship) are named as an insured on such policy.

The most we will pay is the larger applicable limit(s) provided under one of the two policies, and not the aggregate of both policies' limits.

IV. Section F. Definitions is amended to include the following:

"Reasonable efforts" include, but are not limited to, your compliance with:

1. the bill of lading and/or other shipping documents;
2. claim filing procedures of the carrier(s) against whom the owner of the Covered Property has a right to file a claim.

All other terms remain unchanged.

