



THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

**FREIGHT FORWARDERS 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 deleted and replaced by the following:

1. Covered Property as used in this Coverage Form, means property of others for which you arrange transportation by any railroad, motor carrier, or airfreight company.

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

- a. in your custody and control or in the custody or control of a railroad, motor carrier or air freight company, while in "transit" and/or during "loading" or "unloading"; or
- b. at premises shown in the Declarations.

Coverage does not apply to property for which a storage charge is made.

II. Section A.2. Property Not Covered is amended by addition of the following paragraph:

i. Shipments of any property:

- (1) via mail;
- (2) while waterborne, unless upon a transporting land conveyance aboard any regular scheduled ferry operating upon inland waterways;
- (3) held in storage and for which a storage charge is made.

III. Section A.3. Covered Causes of Loss is amended to read as follows. Covered Cause of Loss means:

a. **Freight Forwarder Liability:** Your legal liability including contractual liability as a freight forwarder 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 customers to:

- (1) select a competent carrier; or
- (2) perform other related freight forwarding services (preparation of transportation documents, 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 collectable (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.

IV. Section **A.4. Additional Coverages**, paragraphs **b.** and **c.** are deleted when covered property is not in your custody or control.

V. Section **B. Exclusions**, paragraph **1.d.** is amended by addition of the following:

d. Damage to Cargo in Shipping Containers

Damage to containerized shipments unless there is visible damage to the shipping container, or the contents of the shipping container were inspected and found to be undamaged immediately prior to coverage attaching under this policy.

VI. Section **E. Additional Conditions** is amended to include the following:

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

6. Records

You will keep accurate records of your freight forwarder business for each of the following:

- a. your business income from freight forwarder 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 freight forwarder activities including uncollected receivables (before deduction of uncollectible debts) and including transportation costs paid to carriers.

11. If the shipment is assigned to a Motor Truck Carrier, coverage applies only if the following conditions have been met:

Prior to a "loss" and prior to the carrier taking physical custody of the shipment:

- a. the motor truck carrier which you select has furnished to you evidence of cargo liability insurance, with limits equal to, or greater than, the carrier's full bill of lading liability for shipment(s) which are offered to them; and
- b. the evidence of such insurance provided by the carrier shows that on the date the carrier is to take custody of such shipment the policy is in force (i.e. the shipment date is between the policy inception and expiration dates).

12. Time of Loss Payment and Recovery from Carrier

We will not pay your "loss" until at least 90 days have elapsed from the date of "loss." You agree, however, to report to us any "loss" which will exceed your deductible amount as soon as known to you. At our option we may take action to recover from a "carrier" in your name, or in the name of your customer.

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.

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

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

1. bill of lading, or other shipping document requirements;
2. claim filing procedures of the carrier having custody of the covered property.

All other terms remain unchanged.