



ShipSimple

SHIPPING INSURANCE

Coverage Summary & Program Details

Program Guide
Freight
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ShipSimple Shipping Insurance is an insurance solution for business shippers, and E-commerce platform providers. The program offers comprehensive coverage at competitive rates.

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SECTION ONE

Freight Program Coverage Summary

The coverage is for goods while in transit for loss or damage:

Terms and Policy Conditions:

Types of shipment: Freight shipments via Domestic Canada and USA, as well as International shipments via ocean vessels and aircrafts

Currency: CAD
Limit: \$500,000 Any one aircraft
\$500,000 Any one Inland conveyance
\$500,000 Any one Inland vessel
Limits per certificate can also be increased as may be required with approval.

Deductible: Various deductibles based on the commodity selected. See detail following

Valuation Clause: Goods and/or merchandise and/or property insured hereunder shall be declared and rated at INVOICE PRODUCT COST, but is not limited and can be valued as follows at the point of booking coverage:

- Cost, Insurance, and Retail Freight or
- Invoice value including all charges and Retail Freight and Packing cost, if any, or As may be required by the Insured's customers and agreed to by Insurers prior to shipment; or
- As may be agreed by Insurers prior to any known or reported loss; such as at Cost, Insurance, Retail Freight and Transportation Services cost
- Duty and/or taxes may be declared separately and insured for the amount payable, as required, prior to the shipment.

Covering All Risks of physical loss or damage subject to the following Clauses:(as applicable to Inland Transit)

Institute Cargo Clauses (A) 1.1.82
Institute Cargo Clauses (Air) 1.1.82

Shipments on deck under an On Deck Bill of Lading are subject to the following Clauses:

Institute Cargo Clauses(C) 1.1.82

Perishable/Temperature control Freight Shipments are subject to the following Clauses:

Institute Frozen Food Clauses (A) 1.1.86 including the Frozen Food Extension or IMTA Frozen Meat Extension as applicable.
Institute Strikes Clauses(Frozen Products) 11.3.80
Institute War Clauses(Frozen Food) 1.1.86

All shipments are subject to the following clauses (as applicable):

Institute War Clauses(Cargo) 1.1.82
Institute War Clauses(Air Cargo) (excluding sendings by Post)1.1.82
Institute Strikes Clauses(Cargo) 1.1.82 amended to include Institute Malicious Damage Clause 1.1.82 & Termination of Transit Clause (Terrorism) 1.1.2002
Institute Strikes Clauses(Air Cargo) 1.1.82 amended to include Malicious Damage Clause 1.1.82 & Termination of Transit Clause (Terrorism) 1.1.2002
Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause
Inland Transit Clause
Restricted Commodities Shipment Clause
Marine Cyber Endorsement (LMA 5403, 11 November 2019)
Communicable Disease Exclusion LMA 5393

Voyage Clause:

Shipments covered by this Policy are insured at and from places in the world to places in the world, except that the following territories are excluded unless specially declared and accepted by Insurers in writing prior to the commencement of transit: Afghanistan, Angola, Belarus, Congo - Democratic Republic (Kinshasa), Cote d'Ivoire (Ivory Coast), Crimea, Cuba, Eritrea, Ethiopia, Iran, Iraq, Kyrgyzstan, Lebanon, Liberia, Libya, Myanmar, Nigeria, North Korea, Russia, Rwanda, Sierra Leone, Somalia, South Sudan, Sudan, Syria, Tajikistan, Turkmenistan, Ukraine, Uzbekistan, and Zimbabwe and any other country where their local legislation decrees insurance must be effected locally. All voyages subject to the Geographical Limits/Voyage(s) Clause.

Please Note:

Certain countries may be subject to restrictive legislation (such as local country insurance laws, government embargoes and/or sanctions). Please contact our support team at support@shipsimple.ca

Certain countries may be excluded outright or subject to additional premium for the increased risk of war and civil commotions; please contact support at support@shipsimple.ca

Cover to attach from the time the Insured becomes at risk or assumes interest and continues in transit and/or in store, temporary or otherwise or wherever located, including transshipment, interruption for the purpose of packing, consolidating and/or reforwarding and until finally delivered to final destination as required, including the risk of loading and unloading or until the risk of the Insured ceases.

Including risks in Customs as required, and transshipment, overcarriage, deviation delays, craft and barge risks, whether customary or otherwise, and shipments on or under deck. Including Coastal Shipments on vessels or barges customary to coastal trade, without penalty.

It is understood that wrongful or improper delivery shall not constitute delivery to final destination.

Sanction Limitation and Exclusion Clause:

The Insurer shall not be deemed to provide coverage and shall not be liable to pay any claim or provide any benefit to the extent that the provision of such coverage, payment of such claim or provision of such benefit would expose The Insurer to any sanction, prohibition or restriction under United Nations resolutions or any trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America and Canada.

Freight Terms and Conditions:

Commodity	Conditions
New General Merchandise	Shipments with an insured valued equal to or greater than \$2,500 are subject to a \$250 deductible any one accident or occurrence
Used General Merchandise	Shipments with an insured valued equal to or greater than \$2,500 are subject to a \$250 deductible any one accident or occurrence Excluding Rust, Oxidization, Discolouration, Scratching, Denting, Marring, Chipping, Mechanical and Electrical Derangement unless caused by an Insured Peril. Subject To: Second-hand Replacement Clause.
Medical/ Kitchen/ Musical/ Bathroom/ Building Equipment and/or Materials	Shipments with an insured valued equal to or greater than \$2,500 are subject to a \$500 deductible any one accident or occurrence IF THE GOODS ARE USED, THEN THE FOLLOWING CONDITIONS ALSO APPLIES: Excluding Rust, Oxidization, Discoloration, Scratching, Denting, Marring, Chipping, Mechanical and Electrical Derangement unless caused by an Insured Peril. Subject To: Second-hand Replacement Clause.
Non-Perishable Foods/ Beverages/ Commodities	Shipments with an insured valued equal to or greater than \$2,500 are subject to a \$500 deductible any one accident or occurrence Excluding loss or damage caused by temperature variation.
Radioactive/ Hazardous/ Restricted or Controlled Items	Shipments with an insured valued equal to or greater than \$2,500 are subject to a \$500 deductible any one accident or occurrence Warranted Professionally Packed in accordance to IMDG or UN code for the transportation of dangerous or hazardous goods.
Wine/ Spirits/ Alcohol/ Beer	Subject to a deductible of 3% the total insured value, minimum \$500, any one accident or occurrence. Excluding loss or damage due to temperature variation.
Furniture/ Signs/ Lights and Lighting Equipment / Copiers, Printers incl. accessories:	Subject to a deductible of 3% the total insured value, minimum \$500, any one accident or occurrence. Excluding Rust, Oxidization, Discoloration, Scratching, Denting, Marring, Chipping, Mechanical and Electrical Derangement unless caused by an Insured Peril. Subject To: Second-hand Replacement Clause.
Fragile Goods (i.e, Glass, Ceramics, Marble, Granite, Tiles, Pottery And Other Goods Deemed To Be Breakable)	Subject to a deductible of 3% the total insured value, minimum \$500, any one accident or occurrence.

Freight Terms and Conditions:

Commodity	Conditions
Antiques/ Art/ Collectibles	<p>Subject to a deductible of 3% the total insured value, minimum \$500, any one accident or occurrence. WARRANTED PROFESSIONALLY PACKED.</p> <p>Warranted proof of value to be declared in the event of a claim by either commercial invoice or independent third party appraisal.</p> <p>Excluding loss or damage due to temperature variation.</p> <p>Excluding Rust, Oxidization, Discoloration, Scratching, Denting, Marring, Chipping, Mechanical and Electrical Derangement unless caused by an Insured Peril.</p> <p>In the event of the subject-matter insured being damaged by risks insured against, this insurance covers only the reasonable cost of repairs and in no circumstances shall cover depreciation or loss in value in addition thereto.</p>
Jewelry / Watches / Precious Stones and Metals	<p>Subject to a deductible of 3% the total insured value, minimum \$500, any one accident or occurrence. WARRANTED PROFESSIONALLY PACKED.</p> <p>Warranted proof of value to be declared in the event of a claim by either commercial invoice or independent third party appraisal.</p> <p>Excluding loss or damage due to temperature variation.</p> <p>Excluding Rust, Oxidization, Discoloration, Scratching, Denting, Marring, Chipping, Mechanical and Electrical Derangement unless caused by an Insured Peril.</p> <p>In the event of the subject-matter insured being damaged by risks insured against, this insurance covers only the reasonable cost of repairs and in no circumstances shall cover depreciation or loss in value in addition thereto.</p>
Perishable/Temperature Controlled / Foods / Beverages / Commodities	<p>Subject to a deductible of 3% the total insured value, minimum \$500, any one accident or occurrence.</p> <p>Subject to the Institute Frozen Food Clauses (A) 1.1.86 Including the Frozen Food Extension or IMTA Frozen Meat Extension as applicable.</p>
Electronics (ie TVs, Audio/Visual Equipment, etc.)/ Laptops/ Cellphones/ Pdas/ iPads/ Tablets/Notebooks And Gaming Systems)	<p>Subject to a deductible of 3% the total insured value, minimum \$500, any one accident or occurrence.</p> <p>If the goods are used, the following also applies:</p> <p>Excluding Rust, Oxidization, Discoloration, Scratching, Denting, Marring, Chipping, Mechanical and Electrical Derangement unless caused by an Insured Peril.</p> <p>Subject To: Second-hand Replacement Clause.</p>
Automobiles – Commercial Shipments only	<p>Subject to a \$500 deductible per automobile.</p> <p>Shipments from Dealer to Dealer, or Manufacturer to Dealer, or Buyer to Seller Warranted Professionally Packed, Blocked & Braced.</p> <p>Excluding loss or damage caused by freezing of water in the radiator or coolant system. Subject to a pre-shipment condition report, otherwise excluding rust, oxidization, discolouration, scratching, denting, marring, chipping unless caused by an insured peril. Subject to proof of value to be declared in the event of a claim by either commercial invoice or independent third party appraisal.</p> <p>No risk while under own power, other than during direct loading.</p> <p>In addition to the above, the following exclusions will also apply to Used Vehicles: Excluding Rust/Oxidization/Discolouration/Scratching/Denting/Marring/Chipping/Mechanical and Electrical Derangement unless caused by an insured peril.</p> <p>Subject To: Used Machinery Clause.</p>

Freight Terms and Conditions:

Commodity	Conditions
Boats/Motorcycles/ ATVs – Commercial Shipment only	<p>Subject to a \$500 Deductible Any One Accident or Occurrence. No risk while under own power, other than during direct loading and unloading. Warranted Professionally Packed, Blocked & Braced. Excluding loss or damage caused by freezing of water in the radiator or coolant system. Subject to a pre-shipment condition report, otherwise excluding rust, oxidization, discolouration, scratching, denting, marring, chipping unless caused by an insured peril. In addition to the above, the following exclusions will also apply to Used Vehicles: Excluding Rust/ Oxidization/ Discolouration/ Scratching/ Denting/Marring/ Chipping/ Mechanical and Electrical Derangement unless caused by an insured peril. Subject To: Used Machinery Clause.</p>
Mining/ Construction/ Industrial/ Mobile/ Heavy Equipment and/or Machinery	<p>Subject to a deductible of 1% the total insured value, minimum \$500, any one accident or occurrence. Excluding Rust/ Oxidization/ Discolouration/ Scratching/ Denting/ Marring/Chipping/ Mechanical and Electrical Derangement. No risk while under own power, other than during direct loading and unloading. Containerized shipments only; all other to be referred In addition to the above, the following exclusions will also apply to Used Equipment: Subject To: Used Machinery Clause.</p>
All Other Interests	<p>Shipments of All Other Interests are referred to our broker for review.</p> <p>You will be contacted within 4 hours by a ShipSimple representative to discuss your shipment. This includes items like:</p> <ul style="list-style-type: none"> - Dangerous Goods/Firearms/ Ammunition and/or Explosives of any type - Gems/Gemstones/Furs/Statuary/Industrial Diamonds/ Carbons - Precious Metals and Stones (including unfinished Jewelry - Personal effects and Household goods - Airplane engines, helicopters, etc. - Transformers, Turbine, etc.

Excluded Commodities:

- Live Plants or Animals (including reptiles, snakes, birds, insects, etc.)
- Bullion, Currency, Money, Securities, Accounts, Bills, Deeds, Evidence of Debt, Notes, Stamps, Bonds, Gift cards, etc.
- Precious Metals (gold, silver, etc. in forms of ingots, bullion, coins, etc.)
- Human remains (including ashes)
- Medical Samples and/or biological products/diagnostic specimens, blood, blood products, plasma, embryos, human or animal specimens or tissues, urine, bodily fluids.
- Ammunition and/or Explosives of any type Counterfeit, Illegal or Pirated goods or material
- Any item(s) the carriage of which is prohibited by any law, regulation or statute of any federal, state or local government to or through which the shipment may be carried.
- Firearms
- Industrial Diamonds / Carbons; Gems, Gemstones, Furs and Statuary Perishable items
- Pharmaceuticals Temperature controlled items
- Automobiles/Trucks/Vans/Motorcycles/ATVs (Commercial Transaction) Industrial/Commercial/Heavy Machinery and Equipment
- Precious Metals and Stones (including unfinished Jewelry)
- Cannabis outside of Canadian borders

Confirmation of Non-Delivery Clause:

Where the subject matter insured hereunder (or any apportionable part) becomes missing and after the lapse of a reasonable time has not been located, an actual total loss of the subject-matter insured (or any apportionable part) may be presumed.

For the purposes of this insurance, there shall be deemed to have been the lapse of a reasonable time, where delivery to the consignees' or other final warehouse or place of storage at the destination named herein has not been affected within 30 Days of the expected date of such delivery.

If, after the payment by the insurers of an actual total loss as provided for above, the subject-matter insured or whatever may remain thereof is located, the ownership and all proprietary rights incidental thereto shall be vested in the insurers. The insured hereunder shall nevertheless have the option of (re-)purchasing from the insurers the subject matter insured or whatever may remain thereof.

Referred Shipments (Require Approval):

Referred shipments terms and conditions are subject to change. As the shipment is referred, the shipment requires additional review. Based on the information, terms and conditions may be adjusted from what is listed in the guide book. This book is the typical conditions however, the final and actual pricing and conditions are what is listed on the certificate / policy wording.

Restricted countries:

Some countries have shipping restrictions. Some will allow the goods to be shipped to the port/airport (and then a local insurance placement must be made to take the goods to final), while others countries you are not allowed to ship to at all.

Some countries, like Mexico, may allow some shipments to the country with certain restrictions and requirements but not cover shipment exported from the country.

Please Note:

Certain countries may be subject to restrictive legislation (such as local country insurance laws, government embargoes and/or sanctions). Please contact our support team at support@shipsimple.ca

Certain countries may be excluded outright or subject to additional premium for the increased risk of war and civil commotions; please contact our support team at support@shipsimple.ca

Sanction Limitation and Exclusion Clause: The Insurers shall not be deemed to provide coverage and shall not be liable to pay any claim or provide any benefit to the extent that the provision of such coverage, payment of such claim or provision of such benefit would expose The Insurer to any sanction, prohibition or restriction under United Nations resolutions or any trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America and Canada.

Key Exclusions:

- Delay
- Inherent vice or nature of subject matter insured
- Insufficiency or unsuitability of packing or preparation
- The use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- Willful misconduct of the insured
- Ordinary leakage, loss in weight or volume
- Ordinary wear and tear
- Insolvency or financial default of the owners, managers, charterers, or operators of the vessel
- Rust, Oxidization, Discolouration (ROD) unless caused by an insured peril
- Scratching, Denting, Marring, Chipping (SDMC) unless caused by an insured peril
- Mechanical and electrical derangement unless caused by an insured period

As the cargo owner or the party responsible for the goods, you have a vested interest in the shipment arriving safely. Keep your investment protected with **ShipSimple Insurance Coverage.**

SECTION TWO

Program Highlights

This policy covers:

- All risks cargo insurance (the broadest form of coverage available) for the full exposure, for the full value of the cargo.
- Protection for freight costs incurred in the handling of a claim.
- Warehouse to warehouse protection ie Door to Door (But has to be declared as such AND no country restrictions).
- Covers all modes of transit that are available under the program
- Coverage includes Acts of God, terrorism, war, strikes, riots, etc.
- Coverage applies irrespective of the number of carriers/subcontractors involved in the shipment.
- Policy pays irrespective of who is responsible for the loss or damage.
- No need to prove fault on the part of the carriers.
- Insurance Valuation of CIF

SECTION THREE

Benefits

The following highlights the benefits of the ShipSimple's Parcel Protection Program:

FOR YOU

- You are not absorbing the deductible applicable to each claim under your legal liability policy.
- The cargo policy protects you against subrogated claims. As you are a named insured under the policy, the insurers will not subrogate against you.
- This coverage protects your "legal liability policy" against suits from customers or their insurance companies.
- Dealing with claims costs everyone time and money. With full direct damage cargo insurance, the burden of proof of liability is waived and claims are handled directly between the insurer and the customer.
- Provides a complete service package to your customer and closes doors to possible competition.

FOR YOUR CUSTOMERS

- Provides your customer with value-added service.
- Cost-effective way of protecting the cargo
- You are protecting your customer as well as yourself.
- Cargo insurance reduces the cost of handling claims under your legal liability policy

SECTION FOUR

7 Key Things to Note

The following tips are design for you and your clients to have a better understanding of the policy - what to do, as well as what to expect in the event of a claim. These tips are to assist with how to navigate the program successfully to maximize efficiencies to enable a quick and effective claim settlement will ease.

1. Goods must be insured to full value, ie the commercial invoice value of the goods, at bare minimum. Our recommendation and per the policy, the goods can be insured on CIF basis, which is:

C = Cost/invoice value

(purchase cost if your client is the buyer, or selling price if they are the seller)

I = Insurance premium

F = Freight and associated charges(e.g. customs clearance charges)

Valuing the goods is important. If the shipment is not insured for full value and the shipment is under-valued, this may affect your claim settlement. The value of the shipment declared for insurance should reflect the true value of a shipment. If a loss occurs and the amount declared is found to be less than the true value, the claim settlement may be pro-rated to a lesser amount. In these situations, it is if the insured is acting as a co-insurer of the shipment and sharing in the loss.

2.The customer must act as if the shipment was uninsured, meaning they must do their due diligence on making sure the goods were packed correctly (if they are shipper of the goods). If they are the receiver they need to make sure that upon receipt of the goods that the package is handled with care, and that any and all scuffs, tears, dents, marks, etc., are noted on the delivery receipt when signing for the package. If there is nothing to note but you do not have time to open the package, comment: Goods to be inspected. Upon opening the package and discovering that it is damaged, immediately take photos(with your phone, etc.) to note the way the goods were packed and the damaged item. Keep all packing, materials and the damage item(s) during the claim process. You will need to get a repair estimate and/or confirmation from an independent third party that the goods cannot be repaired (or that the repair would cost more than the goods themselves). It is your responsibility to do everything possible to mitigate the loss. Failure to do so could affect any claim settlement.

3.Please note that the insurance policy has rules and guidelines; very similar to their other lines of coverage, ie automobile, home, business insurance, etc. Meaning, if the item is damaged and they want a new one instead of the item being repaired, this is unfortunately not the case. The insurance will only pay for the repair, regardless if the item was custom made or brand new.

Example:

You damage the door to your new car. You don't get a new car. The door is repaired.

4. In order for the freight cost to potentially be successfully recovered in a claim settlement, the freight cost must be insured ie CIF. Freight cost cannot be recovered if you did not include the cost of freight in the insured value.

Additionally, if you ship 10 items and the freight cost was \$100. If one item is damaged, you are entitled to a portion of the freight cost, not the full freight cost. In this case, the most likely outcome would be \$10 or 1/10 of the freight cost.

5. Purchasing “limits of liability” or “shipment value” protection from the carriers is not the same as shippers’ interest cargo insurance. Even if additional insurance or a declared value is requested from the carrier, certain Terms of Carriage and/or bill of lading/airway bill limitations may still apply, such as:

- Acts of God (flood, earthquake, hurricane, tornado, etc.);
- Act or fault of the shipper or public authorities; and
- Terrorism, strikes, riots, and in some jurisdictions theft by hijacking

6. Goods must be packed to withstand the rigors of transit. Goods damaged during transit due to not using the proper materials or using an insufficient amount of materials, ie one roll of bubble wrap (less than an inch of protection), may result in a claim being denied. Having insurance does not absolve you from making sure that the goods are packed properly. Placing a “vase” in an empty box is not packed sufficiently to withstand the rigors of transit.

