

## Prior Transportation and/or Prior Storage

Regarding: Shipments moving from storage when TGI did not provide the insurance coverage for transportation to the storage warehouse nor while the property was in storage.

When TGI insures a shipment that incurred prior storage, then the newly provided TGI insurance coverage does not attach until the date the property departs the warehouse. In order to avoid unfavorable relationships with the property owner, and to protect your rights as bailee of the goods, we ask that you apply the following guidelines and procedures.

Since TGI would not be liable for any loss or damage that occurred prior to departure of the shipment from the warehouse, it is essential that all items in the storage lot be visually inspected and a new inventory be prepared to show the exact quantity and condition of all the items at the time property is released from storage for transit. This will enable TGI to promptly settle the claim for any transit damages that may occur after the shipment's departure from the warehouse. It will also provide the property owner with documents to substantiate any claim against his prior insurer during storage and/or establish the warehouseman's liability during the storage period.

If all items are not inspected and if a new inventory is not prepared, dated and signed by moving company representative and property owner under the above type of situation, TGI will have no alternative but to adjust any claim in accordance with the policy provision which excludes "missing/damaged items from owner packed cartons/boxes or missing/damaged items from pre-packed cartons/boxes moving from storage". Additionally, any damages not excluded by the policy conditions would be prorated. Any settlement would be established based upon the time TGI's policy underwriter was on risk versus the entire period of storage and transit.

Example:

A shipment is placed in storage on January 1, 2000, but not insured through TGI. Shipment is scheduled to depart the storage warehouse on May 1, 2000, for transit to New York; TGI is to provide coverage for the transit to New York.

The shipment departs the warehouse on May 1, 2000 and arrives at the destination on May 31, 2000. The property owner submits a claim of \$1,500.00 for damaged items.

TGI adjusts the claim to a figure of \$1,400.00 and prorates the \$1,400.00 based on the time TGI's underwriter was on risk (31 days).

The total period of storage and transit was 151 days. Therefore, TGI was on risk 21% of the total period (31 days divided by 151 days). Claim payment would be \$294.00; \$1,400.00 (the adjusted amount) times 21% = \$294.00