

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS OF USE ENDORSEMENT PLAN B

This endorsement modifies insurance provided under the following:

EQUINE MORTALITY POLICY

A. COVERAGE

In consideration of the additional premium paid for each "horse" insured for this coverage and shown in the Schedule or subsequent endorsements, we agree with you as follows:

If the "horse" is injured by a visible, external, accidental, and violent means, and the "date of incident" is during the "coverage period", and we have been notified of the injury during the "coverage period", and if, as a direct and proximate result of the injury, the "horse" is determined, during the "coverage period", by a "licensed veterinarian" appointed by us, to be totally and permanently unfit for its declared use, but does not require destruction for humane reasons, we will pay you the maximum indemnity percentage of the value of the "horse" at the "date of incident", or the maximum indemnity percentage of the limit of insurance as stated in the Schedule, including subsequent endorsements, whichever is less.

B. ADDITIONAL CONDITIONS

If we and you do not agree as to whether there is a permanent and total loss of use of the "horse" as declared, at the end of three months from the "date of incident", or the end of the "policy period", whichever is earlier, the matter will be referred to a qualified "licensed veterinarian" we mutually agree upon with you. The "licensed veterinarian" is empowered either to decide immediately as to the condition of the "horse", or to set a further period of time at the end of which the "licensed veterinarian" will make a decision. However, the "licensed veterinarian" must make the decision before the end of the "policy period." We mutually agree with you to accept any decision of the "licensed veterinarian" as authoritative and binding on both parties.

In the event of a loss and a subsequent claim payment under this endorsement, we have the right to take unimpaired title to, and possession of the "horse", together with all documents and registration certificates that you must sign over to us relating to that "horse". We may, but we are not obligated to, establish a residual "fair market value" of the "horse", and offer to waive the right to take full title to and possession of the "horse" in exchange for deducting the residual fair market value from the claims payment to you. If you disagree with the residual "fair market value" established by us, we will attempt to resolve this difference of opinion with you. Notwithstanding the process of negotiation or referral, we may, at any time, elect to pay the amount due under this endorsement and take full title to and possession of the "horse". You may, at any time, elect to withdraw any claim under this endorsement and retain title to and possession of the "horse".

In the event of a claim paid under either this endorsement or the mortality coverage for the "horse", all other coverages provided with respect to that "horse" will terminate and all premiums in respect of that "horse" are fully earned and retained.

In the event that mortality coverage on any "horse" to which this endorsement applies expires or is cancelled or deleted, this coverage will automatically terminate unless the mortality coverage for that "horse" is reinstated or restored.

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C. ADDITIONAL EXCLUSIONS

This endorsement excludes the following:

1. Any "horse" used for breeding, or
2. Any loss of use arising directly or indirectly from cosmetic conditions of any nature.

D. ADDITIONAL DEFINITIONS

"Date of incident" means the date on which the injury giving rise to a possible claim under this endorsement occurred.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.