

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUINE THIRD PARTY LIABILITY ENDORSEMENT

This endorsement modifies insurance provided under the following:

EQUINE MORTALITY POLICY

In consideration of the additional premium, fully earned, paid in respect of each horse to be insured for this coverage, such premium to be shown in the Schedule, including subsequent endorsements, and subject to all the terms, conditions, limitations, definitions, and exclusions of this endorsement, the Company agrees:

With the Insured that in the event the Insured shall become legally obligated to pay monetary damages to a third party because of "bodily injury" or "property damage" directly caused by the horse to which this endorsement applies for an "incident" occurring during the coverage period, the Company will pay such monetary damages on behalf of the Insured.

The Company has the right and duty to defend the Insured against any suit or claim seeking damages for an "incident" to which this coverage applies. The Company reserves the right to settle claims at the Company's discretion. *The right and duty to defend ends when the Company has paid or tendered the limit of insurance in the payment of judgments or settlements, including costs of investigation and defense.*

The Company's limit of liability, as stated in the schedule, is the maximum payment that the Company will make under this coverage. Payment of costs of investigation and defense fees reduces the amount available for monetary damages.

DUTIES IN THE EVENT OF A CLAIM

In case of an "incident", regardless of the merits of liability, the Insured will perform the following duties or see that these duties are performed:

- (1) Give immediate notice to the Company of:
 - (a) The identity of the Policy and the Insured;
 - (b) Information on the time, place, and circumstances of the "incident"; and
 - (c) Names, addresses, and contact information of any potential claimants and witnesses.
- (2) Promptly forward to the Company any document relating to the "incident", including but not limited to notices, demands, and summons.
- (3) Cooperate fully with the Company's investigation.
- (4) At the Company's request, help the Company:
 - (a) To make settlement;
 - (b) To enforce any right against any person or organization which may be liable to the Insured;
 - (c) With the conduct of suits;
 - (d) To secure and give evidence;
 - (e) By attending hearings or trials; and
 - (f) To obtain the attendance of witnesses.
- (5) Refrain from making any payment, assuming any obligation, or incurring any expense, other than for first aid, without the consent of the Company.

EXCLUSIONS

This insurance does not apply to punitive damages, exemplary damages, fines, penalties, treble damages, or any other increase in damages resulting from the multiplication of compensatory damages.

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No coverage applies hereunder for "bodily injury" or "property damage":

1. For an "incident" occurring prior to the effective date of this coverage.
2. Arising out of the commercial use of the horse.
3. While the horse is being used or prepared for use in conjunction with a carriage, buggy, or similar vehicle.
4. Arising out of unintended breeding.
5. To persons boarding or training the horse, or to property belonging to such persons.
6. To equine service providers hired, retained, or employed by the Insured, including but not limited to: farriers, veterinarians, and auctioneers, or their employees.
7. To real property rented to, occupied by, or leased to the Insured.
8. To personal property used by, or in the care or custody of, or under the physical or contractual control of, the Insured.
9. For liability assumed through oral or written contracts or agreements entered into by the Insured. This exclusion does not apply to liability that the Insured would have in the absence of the contract or agreement.
10. For any obligation which the Insured may be held liable under any worker's compensation, employer's liability, unemployment compensation, or disability benefits law or similar law.
11. For "bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of "pollutants" at any time.
12. For any loss, cost or expense arising out of any:
 - A. Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
 - B. Claim or lawsuit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

DEFINITIONS

"Bodily injury" means actual physical injury, or death arising out of such physical injury, caused by the horse.

"Property damage" means physical damage to tangible property caused by the horse.

"Incident" means a specific accident directly involving the horse to which this coverage applies.

"Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

CONDITIONS

The territorial limits of this coverage are extended only to claims for "bodily injury" or "property damage" that occur within the continental United States or Canada.

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

This endorsement is subject otherwise to the terms, conditions, exclusions, and limitations of the policy to which this endorsement is attached.