

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS OF USE ENDORSEMENT PLAN A

This endorsement modifies insurance provided under the following:

EQUINE MORTALITY POLICY

In consideration of the additional premium 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, and limitations of this endorsement, the Company agrees:

With the Insured that in the event the horse shall manifest a condition resulting from an accident, injury, illness, or disease occurring during the coverage period, and that the Company has been notified of such condition during the coverage period, and if, as a direct and proximate result of such condition, the said horse shall be determined, during the coverage period, by a licensed veterinarian appointed by the Company to be totally and permanently unfit for the use as specified in the application form, Declarations, or endorsements to the Policy (with the exception of breeding or cosmetic conditions of any nature), but does not require destruction for humane reasons, the Company will indemnify the Insured for the maximum indemnity percentage of the value of the horse at the onset of such condition, or the maximum indemnity percentage of the limit of liability as stated in the Schedule, including subsequent endorsements, whichever is the lesser sum.

CONDITIONS

In the event that the Insured and the Company, or their appointed veterinarians, fail to agree as to whether the condition of the horse is such as to cause the permanent and total loss of use, as described in the application form, Declarations, or endorsements to the Policy, at the expiry of three months from the date of incident, or the expiry date of the Policy, whichever is earlier, the matter shall be referred to a qualified licensed veterinarian mutually agreed upon by the Insured and the Company. The veterinarian is empowered either to decide immediately as to the condition of the horse, or to fix upon a further period of time at the expiry of which the veterinarian shall make a decision. However, the final decision must be rendered on or before the expiry date of the Policy. The Insured and the Company agree to accept any decision of the veterinarian as authoritative and binding on both parties. For the purpose of this endorsement only, the date of incident shall be taken as the date on which the condition giving rise to a possible claim under this endorsement occurred.

In the event the Company incurs an obligation to indemnify the Insured under this endorsement, the Company shall have the right to take unimpaired title to, and possession of, the horse in respect of which a claim has been paid, together with all documents relating thereto. The Company may, but is not obligated to, establish a residual fair market value of the horse, and offer to waive the right to take title to and possession of the horse in exchange for deducting this residual fair market value from the claims settlement to the Insured. If the Insured disagrees with the residual fair market value established by the Company, the parties shall attempt to resolve this difference of opinion. If the parties are unable to come to agreement, either party may request mediation to determine a residual fair market value for the horse.

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Notwithstanding any process of negotiation or mediation, the Company may at any time elect to pay the amount due under this endorsement and take title to and possession of the horse, and the Insured may at any time elect to withdraw any claim under this endorsement and retain title to and possession of the horse.

Upon payment by the Company of a claim under either this endorsement or the Policy, all coverages with respect to that horse on which the claim is paid shall terminate without return of premium.

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.

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

American Equine Insurance Group
Sample Wording