

EQUINE MORTALITY INSURANCE POLICY

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered.

Throughout this Policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this Policy. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to **PART VIII. – DEFINITIONS** of this Policy.

PART I. INSURING AGREEMENT

We agree to provide insurance coverage in consideration of:

- A. The premium paid to us as stated in the Schedule, including subsequent endorsements, and
- B. Your compliance with the terms, conditions, limitations, and definitions of this Policy.

PART II. COVERAGES

A. DEATH OR AUTHORIZED HUMANE DESTRUCTION

We will pay for the death or "authorized humane destruction" of a "horse" resulting from an "incident" that first occurred in the "coverage territory" during the "coverage period".

B. THEFT OR UNLAWFUL REMOVAL

We will pay for "theft or unlawful removal" of a "horse" if the "theft or unlawful removal" of the "horse" occurs in the "coverage territory" during the "coverage period".

C. COVERAGE EXTENSION - DEATH OF A HORSE AFTER THE END OF THE POLICY PERIOD

We will pay for the death or "authorized humane destruction" of a "horse" that occurs after the end of the "policy period" if the death or "authorized humane destruction" results from an "incident" that first occurred in the "coverage territory", during the "coverage period", and that the "incident" was reported to us prior to the end of the "policy period", subject to the following:

1. This coverage extension applies only to a "horse" that was insured on this Policy at the end of the "policy period"; and
2. This coverage extension is limited to a death or "authorized humane destruction" that occurs within twelve (12) months after the expiration of the "policy period". However, if the "coverage period" of the "horse" is less than twelve (12) months, coverage under this extension is limited to the number of days of the "coverage period" for the "horse".

PART III. LIMITS OF INSURANCE

We will adjust each loss and the most we will pay for any "horse" is the lesser of:

- A. The applicable Limit of insurance shown in the Declarations, Schedule(s) or endorsement(s); or
- B. The "fair market value" if the value of the "horse" was misrepresented or if the "fair market value" of the "horse" during the "coverage period" was never equal to the applicable limit of insurance from item A. above; or

- C. The “claiming, selling or combination price” if the “horse” is entered or raced in a claiming, selling or combination race during the “policy period”.

If a claim payment is made on the “horse”, a premium refund applicable to the “horse” will not be made. However, if the claim is settled for a limit of insurance other than as described in A. above, you may request a return of the unearned premium for the difference between the limit of insurance in item A. and the actual amount the “horse” was valued at when the claim was settled. The return premium will be calculated on a pro-rata basis from the beginning of the “coverage period” for the “horse”. The request must be received by us within sixty (60) days after the claim has been settled.

PART IV. DEDUCTIBLE

The deductible amount shown in the Declarations, Schedule(s) or endorsement(s) will be subtracted from the amount we pay to you in the event of a loss under this Policy.

PART V. CONDITIONS

A. CONDITIONS PRECEDENT

The following are conditions precedent to any liability by us under this Policy. The failure to satisfy any one or more of these conditions precedent will render your claim null and void and release us from all liability in connection with your loss or claim.

1. INSURABILITY OF THE COVERED HORSE

- a. At the beginning of the “coverage period” each “horse” specified in the Declarations or Schedule attached to this Policy must be in sound health and free from any illness, disease, “lameness”, injury, or physical disability of any kind, or that all such current or prior conditions have been disclosed to us.

This Condition also applies to any:

- i. increases of limit of insurance a “horse” already on the Policy;
 - ii. a “horse” added to the Policy;
 - iii. any extension of or addition to coverage under the Policy
- b. The “horse” will not have been used during the “coverage period” for a purpose which is not declared.
- c. There has been no theft of, or attempted theft of your “horse”, nor threat against you or any of your “horse”, during the twelve (12) months prior to the inception date of coverage under this Policy.
- d. Each “horse” specified in the Declarations or Schedule attached to this Policy must be provided with proper care and attention at all times.
- e. In the case of a mare, no coverage is provided under this Policy for any embryo within the mare, nor for any of her foals, unless such embryo or foal is separately insured under the Policy.

2. SOLE OWNERSHIP

At the beginning of the “coverage period”, you are the sole owner of the “horse” as shown in the Schedule. The “coverage period” for the “horse” ends immediately if you sell it or part with any ownership interest in it, whether temporarily or permanently, unless the change is approved by us and endorsed on this Policy. If you own a fractional interest in the “horse”, that interest must be reflected via an endorsement.

3. DUTIES IN THE EVENT OF INCIDENT, OTHER THAN THEFT OR UNLAWFUL REMOVAL

In the event of an “incident” of any kind affecting the “horse”, you must do each of the following or have each of the following done by another on your behalf:

- a. Immediately give us notice of such “incident” by telephone, fax, or email to the entity specified in Item G of the Declarations. The notice must include a description of the illness,

disease, "lameness", injury, accident, or physical disability and the name and contact information of the "licensed veterinarian" providing care to the "horse".

- b. Immediately, and at your own expense, employ a "licensed veterinarian" to provide medical care to the "horse" and use all reasonable means to save the life of the "horse".
- c. Cooperate and assist with our investigation and adjustment of any claim by providing us with access to any information, persons, records, or documents we may request, and have you, your agents, employees or representatives submit to an examination under oath, if requested by us. We may examine you, your agents, employees or representatives at such times as may be reasonably required about any matter relating to this insurance or your claim. In the event of examination, your answers must be signed.
- d. In the event of the death of the "horse", you will:
 - i. Immediately arrange for a "postmortem examination and necropsy", at your own expense, to be made by a "licensed veterinarian". We also reserve the right to arrange for our own veterinarian to conduct a "postmortem examination and necropsy", at our expense.
 - ii. Send us:
 - a) the death certificate;
 - b) the "postmortem examination and necropsy" report; and
 - c) a detailed, sworn proof of loss within sixty (60) days after death of the "horse".
 - iii. Assume responsibility for disposal of the remains of the "horse", at your own expense, and with our approval.

4. DUTIES IN THE EVENT OF THEFT OR UNLAWFUL REMOVAL

In the event of "theft or unlawful removal" of the "horse", you must do each of the following or have each of the following done by another on your behalf:

- a. Immediately report any "theft or unlawful removal" to the police and other appropriate law enforcement agencies and strictly follow their recommendations.
- b. Immediately give us notice of such "theft or unlawful removal" by telephone, fax, or email to the entity specified in Item G of the Declarations.
- c. In no case will you pay or promise to pay a ransom, or give similar assurances of any such nature to any third party.

Should you pay or promise to pay a ransom or give similar assurances of any such nature to any third party, the "coverage period" for the "horse" ends at midnight local standard time, at your address, preceding the day on which such payment, promises to pay or similar assurances have been given.
- d. Cooperate and assist with our investigation and adjustment of any claim by providing us with access to any information, persons, records, or documents we may request and have you, your agents, employees or representatives submit to an examination, under oath, if requested by us. We may examine you, your agents, employees or representatives at such times as may be reasonably required, about any matter relating to this insurance or your claim. In the event of examination, your answers must be signed.

In the event of any payment under this Policy for "theft or unlawful removal", we reserve the right to take title and possession of the "horse" if subsequently recovered.

This insurance does not cover any consequential loss, or injury, or damage to the "horse" except death following "theft or unlawful removal".

No liability arises under this Policy for loss of the "horse" by "theft or unlawful removal" until at least thirty (30) days after the "theft or unlawful removal" is reported to us, and then only if the "horse" has not been recovered during that time period.

5. CASTRATION OR SPAYING

We will allow castration or spaying operations of the "horse", dependent upon prior notification to us. If you do not notify us prior to such operation, the "coverage period" for the "horse" ends at midnight local standard time at your address preceding the day of such operation. We reserve the right to adjust the limit of insurance of the "horse", if necessary, at the time of the castration or spaying of the "horse".

6. CONCEALMENT, MISREPRESENTATION OR FRAUD

If you make any claim knowing it to be false or fraudulent, this Policy will become void and all claims hereunder will be forfeited.

It is also void if you or anyone on your behalf has concealed, misrepresented or failed to disclose any material facts or circumstances concerning this Policy, the "horse", your interest in the "horse", or any claim made on the Policy.

7. LEGAL ACTION AGAINST US

No action will lie against us unless you have fully complied with all terms of this Policy and such legal action is brought within twelve (12) months from the date on which the death, "authorized humane destruction", or "theft or unlawful removal" occurred.

All suits against us or you must be brought within the contiguous United States of America.

B. COMMON CONDITIONS

1. OTHER INSURANCE

If, at the time of any loss, you have any other insurance in force applicable to the "horse", whether or not such insurance is valid or collectible, we will be released from all liability in connection with the "horse" unless you have previously notified us, in writing, of such other insurance and we have agreed to such other insurance.

If our agreement to such other insurance is endorsed on this Policy, the insurance provided under this Policy will be excess to such other insurance.

2. SUBROGATION

In the event of any payment under this Policy, you agree to transfer to us any rights of recovery that you may have against third parties. You must do nothing after a loss to impair these rights, and agree to provide any assistance that we may require to secure such rights and remedies. You agree that we may bring a lawsuit, under your name, against third parties who may be responsible for the loss. Our rights of subrogation for a loss we pay under this policy will have first priority over any and all claims that you have against such third parties for monetary damages sustained or alleged to be sustained by you relating to losses that are not covered by this insurance. We will be entitled to first priority on any monetary amounts received or recovered from third parties who may be legally responsible or liable. This right of first priority is limited to the amount of our payment to you of a claim under this policy.

3. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this Policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative, but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of the "horse" will have your rights and duties but only with respect to the "horse".

4. ABANDONMENT

There will be no abandonment of the "horse" to us.

5. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of the "horse", will benefit from this insurance.

6. BANKRUPTCY OR INSOLVENCY

In the event of your bankruptcy or insolvency, we will not be relieved of any payment hereunder as would have been payable but for such bankruptcy or insolvency.

7. CANCELLATION

- a. The first Named Insured shown in the Declarations may cancel this Policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this Policy by mailing or delivering to you written notice of cancellation at least.
 - i. 10 days before the effective date of cancellation if we cancel for nonpayment of premium, or the number of days shown in the Declarations, whichever is greater; or
 - ii. 30 days before the effective date of cancellation if we cancel for any other reason, or the number of days shown in the Declarations, whichever is greater.
- c. We will mail or deliver our notice to you at the last mailing address known to us.
- d. Notice of cancellation will state the effective date of cancellation. The "policy period" will end on that date.
- e. If this Policy is cancelled, we will send you any premium refund due. If we cancel, the refund will be pro rata. If you cancel, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.

If different requirements for cancellation or termination of policies are applicable because of the laws of your state, we will comply with those requirements.

8. CONFORMITY TO STATUTE

Terms of this Policy which are in conflict with the statutes of those states wherein certain provisions and coverages included under this Policy are not permitted are hereby amended to cover only those provisions and coverages as apply and conform to such statutes.

9. CHANGES

Notice to any broker or knowledge possessed by any of your agents, employees, or representatives or by any other person, will not affect a waiver or a change in any part of this Policy or stop us from asserting any right under the terms of this Policy, nor will the terms of this Policy be waived or changed, except by endorsement issued to form part of this Policy.

10. PREMIUM PAYMENT

The first Named Insured shown in the Declarations:

- a. Is responsible for the payment of all premiums; and
- b. Will be the payee for any return premiums due.

11. APPRAISAL

If we and you disagree on the value of the "horse" or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two (2) appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the "horse" and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two (2) will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

12. INSURANCE UNDER TWO (2) OR MORE COVERAGES

If two (2) or more of this Policy's coverages apply to the same loss, we will not pay more than the actual amount of the loss.

PART VI. EXCLUSIONS

A. We will not pay for "loss" arising out of:

1. INTENTIONAL DESTRUCTION

Intentional destruction, except for "authorized humane destruction".

2. CONTAGIOUS OR COMMUNICABLE DISEASE

Death or "authorized humane destruction" of the "horse" as a consequence of the "horse" having contracted or been exposed to any contagious or communicable disease, whether by or under the order of any government or public or local authority, or any person or body having jurisdiction in the matter

3. SURGICAL OPERATION

Any surgical operation, except as provided for in PART V. A.5. CASTRATION OR SPAYING, unless conducted by a "licensed veterinarian" and certified by the veterinarian to have been necessitated solely by accident, injury, disease, or illness and to have been carried out in an attempt to preserve the life of the "horse", or unless conducted with our prior written consent, and the payment of any additional required premium, if any, or

4. MEDICATION OR SUBSTANCE

Any "medication or substance", unless administered by a "licensed veterinarian", or experienced personnel directed by the veterinarian, and certified by the veterinarian to have been of a prophylactic nature or necessitated by accident, injury, disease, or illness. This exclusion will not apply to commonly available nutritional supplements, where you have administered the supplements following the product label directions, and for reasons appropriate to the supplements.

5. MALICIOUS, WILLFUL OR INTENTIONAL ACTS OR OMISSIONS

Malicious, willful or intentional acts or omissions by you, your agents, employees, bailees or representatives.

6. DISAPPEARANCE

Mysterious disappearance of the "horse".

7. VOLUNTARY PARTING

Voluntary parting with the "horse" by you or anyone else to whom you have entrusted the "horse" if induced to do so by any fraudulent scheme, trick, device or false pretense.

8. CONSEQUENTIAL LOSS

This insurance does not cover any consequential loss, injury or damage to the "horse".

B. We will not pay for loss arising, directly or indirectly, out of any of the following. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

1. NUCLEAR HAZARD

Nuclear reaction or radiation or radioactive contamination, however caused.

2. GOVERNMENT ACTION

Confiscation by or destruction of the "horse" under the order of any government or public local authority or any person or body having jurisdiction in the matter.

3. WAR

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

PART VII. DEFINITIONS

- A.** "Authorized humane destruction" means destruction of the "horse" in a humane manner that is:
- a. Agreed to by us;
 - b. Performed when the "horse" suffers an injury and when a "licensed veterinarian" appointed by you has certified prior to destruction of the "horse" that the suffering of the "horse" is incurable and so excessive that immediate destruction is imperative for humane reasons without waiting for the appointment of a "licensed veterinarian" by us;
 - c. Performed when the "horse" suffers an injury or is afflicted with an expressly painful or debilitating disease and a "licensed veterinarian" appointed by us has certified prior to destruction of the "horse" that the suffering of the "horse" is incurable and so excessive that immediate destruction is required; or
 - d. Performed when the "horse" is on board an aircraft in flight at the order of the person responsible for the safety of the aircraft who confirms in a sworn statement that in his or her opinion the "horse" was so uncontrollable (berserk) as to have been a danger at that time to the safety of the aircraft, crew, passengers or cargo.
- Regardless of the situation surrounding the "authorized humane destruction", we will be given the opportunity to have a "postmortem examination and necropsy" carried out by our "licensed veterinarian" if we choose to do so.
- B.** "Claiming, selling or combination price" means the lowest amount for which the "horse" could have been claimed or sold in any claiming, selling or combination race that the "horse" was entered during the "coverage period".
- C.** "Coverage period" for the "horse" begins at the later of the beginning of the "policy period", if the "horse" and coverage is listed on the Declarations at the time the Policy was issued, or the effective date of the endorsement adding the "horse" or coverage to the Policy. Unless the "coverage period" ends by another term or condition of the Policy, it ends at the earlier of the effective date of the endorsement deleting the horse or coverage, or the expiration of the "policy period".
- D.** "Coverage territory" means the contiguous United States of America and Canada, unless additional territorial limits are approved by us in writing and specifically listed on this Policy.

- E.** “Fair market value” means the amount a willing buyer and a willing seller would agree upon, both having reasonable knowledge of relevant facts surrounding the transaction and neither being under any compulsion or obligation to buy or sell.
- F.** “Horse” means any “horse”, donkey, or mule insured in this Policy as listed in the Declarations or subsequent endorsements for the “coverage period”.
- G.** “Incident” means symptoms or proximate cause that gives rise to a claim resulting from an accident, injury, illness or disease to a “horse”.
- H.** “Lameness” means abnormal stance or gait caused by either a structural or a functional disorder of the locomotor system of the “horse”.
- I.** “Licensed veterinarian” means a physician or surgeon experienced in equine practices and medicine who has a valid license to practice veterinary medicine in the state or jurisdiction where he or she practices.
- J.** “Medication or substance” means any drug, chemical element, chemical compound, hormone, vitamin, protein, or other substance other than unadulterated food or drink.
- K.** “Policy period” means the period of time for which this Policy is in force, as shown in the Declarations. The “policy period” begins at the date and time designated as From in the Declarations and ends at the date and time designated as To in the Declarations. A “policy period” includes a “coverage period”. If, however, the Policy is cancelled effective before the end of the “policy period” shown in the Declarations, by you or us, the “policy period” automatically ends when the cancellation becomes effective.
- L.** “Postmortem examination and necropsy” means an examination and dissection of a dead “horse” conducted by a “licensed veterinarian” to establish the cause of its death or the reason for its authorized destruction, and to assist in establishing the identity of the “horse”.
- M.** “Theft or unlawful removal” means the taking of the “horse” without the permission of you or your representative.
1. We will not pay for any loss by theft unless there is:
 - a. Physical evidence of forcible entry; or
 - b. Evidence that a theft has occurred.
 2. However, “theft or unlawful removal” does not include loss arising out of:
 - a. Escaping or straying of a “horse”;
 - b. Wrongful conversion of a “horse” you purchase or sell;
 - c. Voluntary parting with the “horse” by you or anyone else to whom you have entrusted the “horse”, if induced to do so by any fraudulent scheme, trick, device, or false pretense; or
 - d. Acceptance of counterfeit money, fraudulent post office or express money orders or checks or promissory notes not paid upon presentation.
 - e. “Theft or unauthorized removal” of a “horse” committed by you, any of your partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the “horse” for any purpose:
 - (1) Whether acting alone or in collusion with others; or
 - (2) Whether or not occurring during the hours of employment.