

# EQUINE MORTALITY POLICY



## THE EQUESTRIAN GROUP

### PART I. DEFINITIONS

- (1) **ADDRESS:** As stated in Item B of the Declarations, hereinafter called the Address.
- (2) **COMPANY:** See Declarations Form AEM 100 (03/98).
- (3) **DECLARATIONS:** Equine Mortality Policy Declarations Form AEM 100 (03/98), hereinafter called the Declarations.
- (3) **DEDUCTIBLE:** As stated in Item F of the Declarations, hereinafter called the Deductible.
- (5) **NAMED INSURED:** The individual, partnership, corporation or entity as stated in Item B of the Declarations, hereinafter called the Insured.
- (6) **POLICY:** Equine Mortality Policy Form AEM 200 (06/00), hereinafter called the Policy.
- (7) **POLICY PERIOD:** As stated in Item C of the Declarations, hereinafter called the Policy Period.
- (8) **PREMIUM:** As stated in Item D, and if applicable, Item E of the Declarations, hereinafter called the Premium.
- (8) **SCHEDULE:** As stated in Item J of the Declarations, hereinafter called the Schedule.

**IN CONSIDERATION** of the payment of the Premium stated in the Declarations and subject to all of the terms, conditions, limitations and definitions of this Policy, the Company agrees:

### PART II. AGREEMENT

- (1) With the Insured that in the event of the death during the Policy Period, or within thirty (30) days after the expiration of the Policy Period, of any insured animal specified in the Schedule as a result of any accident occurring, or illness or disease first manifesting itself during the Policy Period, and subject to written notice of such accident, illness or disease having been given to the Company prior to the expiration of the Policy Period, the Company will indemnify the Insured for the actual cash value of such animal at the time of the accident or the manifestation of the disease or illness causing its death up to but not exceeding the limit of the Company's liability specified in the Schedule applicable to such animal less any Deductible.
- (2) With the Insured that in the event of theft during the Policy Period of any insured animal specified in the Schedule or death directly resulting from theft but in either event subject to exclusions (4) and (5), the Company will indemnify the Insured for the actual cash value of such animal at the time of loss up to but not exceeding the limit of the Company's liability specified in the Schedule applicable to such animal less any Deductible.

### PART III. CONDITIONS

- (1) It is a condition precedent to any liability of the Company hereunder that at the commencement of the Policy Period any animal hereby insured is in sound health and free from any illness, disease, lameness, injury or physical disability whatsoever and that all such current or prior conditions have been disclosed to the company.

- (2) It is a condition precedent to any liability of the Company hereunder that at the commencement of the Policy Period the Insured is the sole owner of each animal hereby insured. This insurance shall cease to cover an animal immediately when the Insured sells it or parts with any ownership interest in it whatsoever, whether temporarily or permanently, unless the change is approved by the Company and endorsed on the Policy.
- (3) It is a condition precedent to any liability of the Company hereunder that there have been no attempted thefts of any of the Insured's animals, nor threats against him or any of his animals, during the twelve (12) months prior to the inception date of coverage under the policy.
- (4) The Company will allow castration or spaying operations of an insured animal dependent upon prior notification to the Company. In the event that notification is not given to the Company prior to such operation, this insurance shall cease to cover such animal so operated on at midnight standard time at the Address of the Insured, preceding the day of such operation. The Company reserves the right to adjust the insured value of the horse, if necessary, at the time the Insured notifies the Company of the castration or spaying of the horse.
- (5) In the event of any animal hereby insured being entered or raced in any claiming, selling or combination race at any time during the Policy Period where the claiming, selling or combination price shall be less than the Company's limit of liability applicable to such animal specified in the Schedule, the Company's limit of liability shall thereby automatically be reduced to a sum equal only to the lowest amount for which such animal could have been claimed or sold in any such race. The Insured, upon demand within sixty (60) days thereafter, shall be entitled to a return of the unearned premium on the amount by which the limit of liability was thus reduced, computed on a pro rata basis from the date when such animal was so entered or raced.
- (6) It is a condition precedent to any liability of the Company hereunder that:
  - (a) The animal shall have remained within the limits of the continental United States of America and Canada during the entire Policy Period, **unless additional territorial limits are approved by the Company in writing and endorsed hereon, and**
  - (b) The animal shall not have been used at any time during the Policy Period for a purpose which is not specified in the Schedule applicable to such animal.
- (7) It is a condition precedent to any liability of the Company hereunder that:
  - (a) The Insured shall at all times provide proper care and attention for each animal hereby insured, and
  - (b) In the event of any illness, disease, lameness, injury, accident or physical disability whatsoever of or to an insured animal the Insured shall immediately at his own expense employ a Licensed Veterinarian and shall, if required by the Company, allow removal for treatment, and
  - (c) In the event of the death of an insured animal the Insured shall immediately at his own expense arrange for a postmortem and autopsy examination to be made by a Licensed Veterinarian, and
  - (d) Under either condition 7(b) or 7(c) the Insured shall immediately give notice by telephone or telegram to the person or persons specified in Item G of the Declarations, who will retain a consulting Veterinarian on the Company's behalf if deemed necessary.
- (8) No liability arises under this Policy for loss of an insured animal by theft until at least thirty (30) days after the incident of theft is reported to the Company, and then only in the event that the animal has not been recovered during that period.
- (9) It is a condition precedent to any liability of the Company hereunder that:
  - (a) The Insured will immediately report any theft or disappearance by telephone or telegram to the person or persons specified in Item G of the Declarations. The Insured shall also immediately report any theft or disappearance to the police and other appropriate law enforcement agencies and follow strictly their recommendations, except that in no case shall the Insured pay or promise to pay a ransom, or give similar assurances of any such nature to any third party.  
**Should the Insured pay or promise to pay a ransom or give similar assurances of any such nature to any third party, no coverage in respect of the animal concerned will be afforded under this Policy from midnight local standard time at the Address of the Insured preceding the day on which such payment, promises to pay or similar assurances have been given.**
- (10) In the event of any payment under this Policy for theft, the Company reserves the right to take title and possession of the animal if subsequently recovered.
- (11) In the case of a mare, no coverage is afforded under this Policy for any embryo within the mare nor for any of her foals, unless such embryo or foal is separately insured hereunder.
- (12) In the event of any loss insured hereunder, the Insured shall file with the Company a detailed, sworn proof of loss within sixty (60) days thereafter. The Insured shall, upon the written request of the Company, submit to examinations under oath with respect to any loss presented to the Company. The Insured shall, in addition, as requested by the Company, similarly submit their agents, servants and employees to such examinations under

oath upon the written request of the Company. Such written request by the Company to examine the Insured shall be served upon the Insured within thirty (30) days after receipt of the sworn proof of loss at the Address stated in Item B of the Declarations. The Insured shall produce for Company's examination, with permission to copy, all records, documents and receipts that the Company may require.

- (13) If at the time of any loss the Insured has any other insurance in force applicable to such animal, whether or not such insurance is valid or collectible, the Company shall be released from all liability in connection with such animal unless the Insured has previously notified the Company in writing of such other insurance and the Company has agreed to such other insurance through an endorsement attached to this Policy. If the agreement of the Company to such other insurance is endorsed on this Policy, the insurance provided under this Policy shall be excess to such other insurance.
- (14) If the Company becomes liable for any payment under this Policy, the Company shall be subrogated to the extent of such payment to all rights or recovery therefore, and the Insured shall execute all papers required and shall do everything that may be necessary to secure and preserve such rights including but not limited to the execution of such documents necessary to enable the Company effectively to bring suit in the name of the Insured and the attendance at hearings and trials.
- (15) This insurance may be cancelled at any time upon the written request of the Insured. If the Policy is cancelled by the Insured, the premium refund, if any, will be computed on the short rate basis stated herein. This insurance may also be cancelled by the Company by delivering to the Insured or by sending to the Insured by mail, registered or unregistered, at the Insured's Address as stated in Item B of the Declarations not less than the written notice of cancellation as stated in Item H of the Declarations. If the Company cancels this Policy, the premium refund, if any, shall be computed on a pro rata basis.

If different requirements for cancellation or termination of policies are applicable because of the laws of the Insured's state, the Company will comply with those requirements. If a claim payment on any animal is made, no premium refund applicable to such animal shall be made.

#### **SHORT RATE SCALE**

1 month:	20% of the premium	6 months:	70% of the premium
2 months:	30% of the premium	7 months:	75% of the premium
3 months:	40% of the premium	8 months:	80% of the premium
4 months:	50% of the premium	9 months:	85% of the premium
5 months:	60% of the premium	Over 9 months:	100% of the premium

Plus additions, fully earned, for extra risks such as surgical, third party liability and overseas transit.

- (16) If any Insured shall make any claim knowing it to be false or fraudulent, this insurance shall become void and all claims hereunder shall be forfeited.
- (17) Any breach of a condition precedent to any liability of the Company hereunder shall render the Insured's claim null and void and release the Company from all liability in connection therewith, whether the Insured has personal knowledge of such events or such knowledge is confined to the representative of the Insured or other persons who have care, custody or control of the animal.

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#### **PART IV. EXCLUSIONS**

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- (1) This insurance does not cover intentional slaughter, whether by or under the order of any government or public or local authority or any person or body having jurisdiction in the matter or otherwise; except that the Company will not invoke this particular exclusion as a defense:
  - (a) Where the Company shall have expressly agreed to the destruction of the animal, or
  - (b) Where an insured animal suffers an injury or is afflicted with an expressly painful or debilitating disease and a Licensed Veterinarian appointed by the Company shall first have given a certificate that the suffering of that animal is incurable and/or so excessive that immediate destruction is imperative for humane reasons, or
  - (c) Where an insured animal suffers an injury and a Licensed Veterinarian appointed by the insured shall first have given a certificate that the suffering of that animal is incurable and so excessive that immediate destruction is imperative for humane reasons without waiting for the appointment of a Veterinarian by the Company. Provided that in all such cases (1)(a), (1)(b), or (1)(c) the Company shall be given the opportunity of having post-mortem and autopsy examination carried out by its Veterinarian should the Company so desire.
- (2) This insurance does not cover death directly or indirectly caused by, happening through or in consequence of:
  - (a) Any surgical operation, except as provided for in Part III, (4), unless conducted by a Licensed Veterinarian and certified by him to have been necessitated solely by accident, disease or illness and to have been carried out in an attempt to preserve the animal's life, or unless conducted with the prior written consent of a Veterinarian appointed by the Company, and the payment of any additional required Premium, if any, or

- (b) Any substance or medication 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, disease or illness; as used herein, "medication or substance" includes any drug, chemical element, chemical compound, hormone, vitamin, protein or other substance other than unadulterated food or drink, or
  - (c) Malicious willful or intentional acts or omissions by any Insured, his agents, employees or bailees, or
  - (d) Failure to provide proper care and attention, or
  - (e) Nuclear fission, nuclear fusion or radioactive contamination.
- (3) This insurance does not cover death directly or indirectly caused by, happening through or in consequence of:
- (a) Confiscation by or under the order of any government or public or local authority or any person or body having jurisdiction in the matter, or
  - (b) War, declared or undeclared, civil war, rebellion, revolution, insurrection or riots, strikes, or civil commotions.
- (4) This insurance does not cover any loss, including death arising from mysterious disappearance, escape, or voluntary parting of possession or title to an insured animal as a result of the Insured (or others to whom the insured animal may have been entrusted) being induced by a fraudulent scheme, trickery, or similar false pretences.
- (5) This insurance does not cover any consequential loss, or injury, or damage to the insured animal except death following theft.
- (6) This insurance does not include the destruction of animal(s) 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 or otherwise.

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#### **PART V. MEDIATION CLAUSE**

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Should there arise a difference of opinion solely concerning the value of a deceased animal which cannot be amicably settled between the Company and the Insured, it is understood and agreed that such difference of opinion may, by agreement of the Company and the Insured, be submitted for mediation to three (3) disinterested parties, one to be selected by the Company, one to be selected by the Insured and one to be selected by the two so selected. A decision of the majority of the three shall be final in each case. Each party shall pay for the expense of its own mediator and a pro rata portion of the expenses of the third mediator.

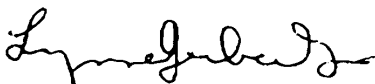
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#### **PART VI. GENERAL CONDITIONS**

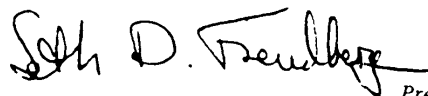
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- (1) Terms of this Policy which are in conflict with the statutes of those states wherein certain provisions and coverages included under this Policy are not permitted are hereby amended to cover only those provisions and coverages as apply and conform to such statutes.
- (2) No action shall lie against the Company unless as a condition precedent thereto the Insured shall have fully complied with all terms of this Policy. In the event of the bankruptcy or insolvency of the Insured, the Company shall not be relieved of any payment hereunder as would have been payable but for such bankruptcy or insolvency.
- (3) Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver of a change in any part of this Policy or stop the Company from asserting any right under the terms of this Policy, nor shall the terms of this Policy be waived or changed, except by endorsement issued to form part of this Policy.
- (4) No interest in this Policy may be assigned without the written consent of the Company.

**In Witness Whereof**, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.



*Secretary*



*President*