

# *Horse policy*



**FMG**  
Advice & Insurance

## What you need to know

### WHAT YOU NEED TO KNOW

#### General Exclusions

These exclusions apply to all of the FMG Horse Policies unless indicated otherwise below. Please note that exclusions specific to each of the Horse Policies are included in each Policy.

Notwithstanding anything to the contrary contained within this **policy** or any endorsement thereto, the **policy** does not cover:

1. Intentional slaughter by or under the order of any government or public or local authority or any person or body having or claiming jurisdiction in the matter or otherwise. Except where:
  - (a) **We** have expressly agreed to the destruction of the **horse**, or
  - (b) in the case of **humane destruction**, or
  - (c) where the **horse** is destroyed, whilst onboard an aircraft, and such destruction is carried out by or on the order of the authority at the time and later confirmed by sworn statement by said authority that in his opinion the **horse** was so uncontrollable as to have been a danger to the safety of the aircraft, crew, passengers or cargo.
  
2. Death or **humane destruction** directly or indirectly caused by, happening through, in consequence of or contributed to by one or more of the following:
  - (a) Any surgical operation unless conducted by a **veterinary surgeon** and certified by him to have been necessitated solely by accident, injury, illness or disease occurring during the **period of insurance** and to have been carried out in an emergency attempt to save the **horse's** life; or
  - (b) The administration of any medication unless by a **veterinary surgeon** (or experienced personnel directed by him) and certified by that **veterinary surgeon** to have been of a preventative nature or necessitated by accident, illness or disease occurring during the **period of insurance**. As used in this **policy**, medication includes any drug, hormone, vitamin, protein or other substance other than unadulterated food or drink; or
  - (c) Malicious or wilful injury or intentional acts or omissions by **you, your** family, representatives, agents, employees, bailees or other persons who have care, custody or control of the **horse**; or
  - (d) Failure by **you, your** family, representatives, agents, employees, bailees or other persons who have care, custody or control of the **horse** to provide proper care and attention for the **horse** at all times; or
  - (e) The use of the **horse** for any purpose other than that specified in the **certificate**.
  
3. Death or **humane destruction** directly or indirectly caused by, happening through, in consequence of or contributed to by one or more of the following:
  - (a) Radioactive contamination; or
  - (b) Confiscation or nationalisation or requisition by or under the order of any government or public or local authority or any person or body having or claiming jurisdiction in the matter; or

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- (c) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, strikes, riots or civil commotion.
4. In any claim, and in any action, suit or proceeding to enforce a claim for death or **humane destruction** under this **policy**, the burden of proving that the death or **humane destruction** does not fall within 3 (a), (b), or (c) above shall be upon **you**.
5. Any loss arising from:
- (a) Mysterious disappearance, escape or voluntary parting of possession of or title to the **horse** as a result of **you**, or others to whom the **horse** has been entrusted, being induced by fraud, trickery or similar false pretences; or
- (b) Consequential loss.
6. Loss or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.
7. **Terrorism**
- (a) Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
- (b) For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious ideological or similar purposes including the intention to influence and govern and/or to put the public, or any section of the public, in fear.
- (c) This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.
- (d) If **we** allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this **policy** the burden of proving the contrary shall be upon **you**.
- (e) In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
8. Death or **humane destruction** directly or indirectly caused by, happening through, in consequence of or contributed to by Avian Influenza or any mutant variation thereof.

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### General Conditions

These conditions applying to **your** FMG Horse Policy are important and must all be met before **we** will accept a claim under **your** policy with **us**. Please note that the conditions specific to each Policy are included at the end of each Policy.

**1. At the commencement of this policy the horse**

must be, with the exception only of those conditions which have been completely and accurately disclosed to and accepted in writing by **us**, in sound health and free from any illness, disease, lameness, injury or physical disability whatsoever. This condition shall also apply in respect of:

- (a) Any additional sums insured on the **horse** already insured; and/or
- (b) Any **horse** added to this policy; and/or
- (c) Any other extension of or addition to coverage.

In any of the above cases (a), (b) or (c), this condition must be satisfied as of the date of such increase, addition or other extension of or addition to coverage.

**2. Our** acceptance of a Veterinary Certificate, or

Declaration of Health where such declaration has been accepted by **us** as a satisfactory substitute for a Veterinary Certificate, submitted in connection with **your** proposal for insurance or any extension of or addition to coverage on the **horse** shall neither remove nor reduce the requirement of full compliance with General Condition 1. above in respect of the **horse**. However, if **we** have accepted a Veterinary Certificate, or Declaration of Health where such

declaration has been accepted by **us** as a satisfactory substitute for a Veterinary Certificate, then the burden of proving that the **horse** was not in sound health or free from any illness, disease, lameness, injury or physical disability whatsoever at the commencement of cover for the **horse** under this **policy** shall be upon **us**.

**3. At the commencement of this policy** (or any

increase, addition or other extension to coverage), **you** must be the sole owner of the **horse**. This **policy** shall cease to cover the **horse** immediately when **you** sell the **horse** or part with any interest in the **horse**, whether temporarily or permanently.

**4. In the event of the horse** being operated upon for

castration or spaying, this **policy** shall cease to cover such **horse** at midnight, local time, immediately prior to the day of such operation. **You** shall be entitled to a pro rata return of premium on the **horse**.

**5. During the entire period of insurance**, the **horse**

shall remain within the geographical limits stated in the **certificate**.

**6. In the event of:**

- (a) Any illness, disease, lameness, injury, accident or physical disability whatsoever of or to the **horse**, **you** shall immediately at **your** own expense employ a **veterinary surgeon** and shall, if required by **us**, allow removal of the **horse** for treatment; and

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(b) The death or **humane destruction** of the **horse**, **you** shall immediately at your own expense arrange for a **post-mortem** to be done by a **veterinary surgeon** to establish the cause of death and submit a copy of the report to **us** as soon as possible after the death or **humane destruction of the horse**; and

(c) Either (a) or (b) above, **you** shall immediately give notice by telephone or fax to the person or persons specified for the purpose in the **certificate**, who will instruct a **veterinary surgeon** on **our** behalf, if deemed necessary.

**We** reserve their rights to have a **post-mortem** carried out by **our veterinary surgeon**.

7. After receiving permission from **us**, **you** shall arrange for the removal and disposal of the remains of the **horse** at **your** own expense. **We** are entitled to receive any money recoverable by **you** in excess of the removal and disposal costs if the remains are sold.

8. **You** shall file with **us** a detailed Claim Form and Release within sixty (60) days after the death, theft or **humane destruction** of the **horse**.

9. **You** shall at all times co-operate **us** and **our** representatives in the investigation and adjustment of any actual or potential claim by:

(a) Providing immediately upon request by **us** or **our** representatives access to any person(s), copies and originals of all veterinary records whether held by **you**, or by **veterinary surgeons** or other third parties; and

(b) Providing immediately upon request by **us** or **our** representatives all information relating to the condition, history, performance, value or otherwise of the **horse** which **we** or **our** representatives may reasonably require; and

(c) **You**, **your** family, representatives, agents, employees, bailees or other persons having care, custody or control of the **horse** submitting to examinations under oath, if required by **us** or **our** representatives.

If there is any lack of such co-operation causing prejudice to **us**, any claim by **you** will be diminished or extinguished to the extent of that prejudice.

10. If **we** make any payment under this **policy**, then **we** shall be subrogated, to the extent of such payment, to all rights and remedies of **you** against any party and shall be entitled at **our** own expense to sue in **your** name. **You** shall execute all documents and give to **us** all such assistance as **we** may require to secure such rights and remedies. **You** shall do nothing to jeopardise or extinguish **our** rights of subrogation.

**IMPORTANT NOTE**

Any breach of any of the above General Conditions 1 through 10 and/or any one or more of the Additional Conditions set forth in any endorsement to this policy, whether **you** have personal knowledge of such circumstances or events or such knowledge is confined to **your** family, representatives, agents, employees, bailees or other persons who have care, custody or control of the **horse**, shall render **your** claim null and void and release **us** from all liability.

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11. This **policy** is null and void and **we** are released from all liability hereunder if **you** have:

- (a) Concealed, misrepresented, omitted and/or failed to disclose any material fact or circumstance relating to this **policy**; and/or
- (b) Made any claim knowing the same to be false or fraudulent, as regards amount or otherwise.

### 12. Cancellation

- (a) **You** may cancel any Policy at any time by giving notice to **us**.
- (b) **We** may cancel any Policy at any time by giving notice to **you** at **your** last known address as held by **us**. Cancellation will take effect 30 days after the day **we** send or deliver the notice to **you**.
- (c) If
  - (i) **you** cancel a Policy **we** will (subject to 'Our Responsibilities' in the Welcome) refund the unexpired portion of **your** premium based on the Short Rate Scale below;

#### Short Rate Scale (being FMG's retained premium)

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

Plus additions in full for extra risks such as breeding, jumping, foals and the like.

- (ii) **we** cancel a Policy, **we** will refund the unexpired portion of **your** premium;
- (iii) **you** have made a claim and **we** have paid the full amount under:
  1. the Policy
  2. an item, or
  3. an Optional Benefit,

**We** will:

- a. cancel the Policy, Item or Optional Benefit from the date of **loss**, and
- b. not refund any unexpired premium for that Policy, Item or Optional Benefit.

13. Where **we** shall have admitted in writing the validity of a claim but there remains a dispute between **us** and **you** as to the **fair market value** of the **horse** consequently payable hereunder, then that dispute is to be resolved by Arbitration, as follows:

- (a) There shall be a sole arbitrator who shall be disinterested, being the person selected by **you** from a list, current at the time of selection and as maintained by **us**, of a minimum three individual members of the Bloodstock Agents Federation (NZ) Inc, a copy of such list being at all times available to **you** and **FMG**;

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- (b) Within 28 days of notification by **you** to **us** of the appointment of the selected Arbitrator, **you** and **FMG** shall each submit to the Arbitrator and to each other such evidence and submissions on value as they wish to make, each then having a further 14 days to respond thereto;
- (c) Thereafter the Arbitrator shall proceed to determine by way of award the **fair market value** of the **horse**;
- (d) **You** and **we** agree unconditionally to accept the award of the Arbitrator, and that there is no appeal (other than as cannot be excluded by agreement), payment to be made in the amount of the **fair market value** thus awarded by **us** to **you** within 21 days of the award;
- (e) If **we** and **you** have each provided the other prior to the arbitration with a figure which they would respectively be prepared to pay or accept, then the party whose figure is furthest from the **fair market value** as awarded by the Arbitrator will pay all fees and expenses of the Arbitrator; in the event of no such figures having been provided then those fees and expenses will be divided equally, **your** proportion (if any) being deducted from the amount payable by **us** to **you** pursuant to the award.
- (f) This Arbitration Clause is exclusive, so that neither **you** nor **FMG** may bring suit as to the **fair market value** of the **horse** in any other forum.

**Additional Conditions**

1. Prior to the commencement date of this **policy** there must have been no theft or attempted theft of **your** equine property, or threat against **you** or **your** equine property whether insured hereunder, insured elsewhere or uninsured.
2. No liability arises under this **policy** for **loss** of the **horse** by theft or unlawful removal until 90 days after the incident is reported to **us** and then only in the event that the **horse** has not been recovered during that period.
3. **You** must immediately report any theft or disappearance of the **horse** to **FMG** and to the local Police and follow strictly their recommendations.
4. Should **you** pay or promise to pay a ransom or give similar assurances of any such nature to any third party **we** shall be released from all liability under this **policy**.
5. Goods and Services Tax
  - (a) Where GST is recoverable by **us** under the Goods and Services Tax Act 1985:
    - (i) all amounts insured exclude GST (unless otherwise shown on the **certificate**); and
    - (ii) GST will be added, where applicable, to claim payments.
  - (b) all **excesses** include GST.

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6. In the event of a **loss** under this **policy**, we will indemnify **you** in respect of the **fair market value** of the **horse** at the time of the **loss**, up to but not exceeding the limit of **our** liability specified in the **certificate**.
7. In the event of any payment under this **policy**, we reserve the right to take title and possession of the **horse** if the **horse** subsequently is recovered.
8. In the case of a mare, no coverage is afforded for any embryo within the mare or for any of her foals, unless such embryo or foal is separately insured under this **policy**.

### **Definitions**

**Agreed Value** means the sum insured value as shown on the **certificate**

**Actual** means that which is determinable and existing in fact and shall not include anticipated or arising in the future.

**Booked** means written/registered/listed/named in **your** records or stud books for the **insured stallion** for the **covering season** insured under this **policy**, provided that, where **you** have failed to make an entry in **your** books or records for a mare, **we** may, at **our** sole discretion, allow income to be recovered in respect of such mare, having satisfied themselves that a bona fide agreement existed between **you** and the mare owner prior to the event giving rise to a claim hereunder.

**Certificate** means the latest version of **your** Policy Certificate issued by **us** which contains details of **your** insurance cover under this Policy.

**Complete service** means that the **insured stallion** must be available to the booked mare(s) for 75 days from her first service or until the end of the **covering season** insured under this **policy**, whichever period is the shorter.

**Cover**, in respect of the Stallion Loss of Income Optional Benefit only, means successfully to mount the mare and achieve intromission and ejaculation under normal stud practice over two oestral periods unless tested in foal to first covering.

**Covering season** means the Southern Hemisphere covering season commencing 1st September and finishing 31st December.

**Event** means a single **loss** or a series of **losses** that have the same cause.

**Excess** means the first amount of a claim that **you** must pay, as shown on the **certificate**.

**Fair market value** means the price at which ownership of the **horse** would change between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts.

**FMG** means Farmers' Mutual Insurance Association, Farmers' Mutual Group or FMG Insurance Ltd as shown on the **certificate**.

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**Horse** means whole or part interest of the **horse** or **horses** specified on **your certificate**.

**Humane destruction** means:

- (a) That the **horse** incurs an injury or is afflicted with an excessively painful disease, and a **veterinary surgeon** appointed by **us** shall first have given a certificate that the suffering of the **horse** is incurable and so excessive that immediate destruction is imperative for humane reasons; or
- (b) That the **horse** incurs an injury and a **veterinary surgeon** appointed by **you** shall first have given a certificate 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 **veterinary surgeon** by **us**.
- (c) For the purposes of this insurance where the **horse** is destroyed, whilst on board an aircraft, and such destruction is carried out by or on the order of the responsible authority at the time and later confirmed by a sworn statement by said authority that in his opinion the **horse** was so uncontrollable as to have been a danger to the safety of the aircraft, crew, passengers or cargo.

**Impotent** means the failure of the **stallion** to achieve intromission.

**Income** is limited to the stud fee fixed/agreed in writing by **you** and/or the **syndicate manager** and/or the **stallion manager** in respect of the **insured stallion** prior to or during the **covering season** and in any event prior to the **insured stallion's** unavailability.

**Infertile** means sterile.

**Insured** means the person(s), partnership, corporation or organisation specified on **your certificate**.

**Insured stallion** means the **stallion** insured by the stallion owner/**syndicate manager** under this policy and named on the **certificate**.

**Loss** means physical:

- (a) Loss
  - (b) Damage, or
  - (c) Destruction
- of tangible property during the **period of insurance**.

**Period of insurance** means the period shown on **your certificate**.

**Policy** means the complete contract between **you** and **us** including the latest **certificate**, policy wording, proposal and any supplementary information.

**Post-mortem** means a post-mortem, which shall include a necropsy examination, made by a **veterinary surgeon** to establish the cause of death or the reason for the **humane destruction** of the **horse**.

**Serving mares** means achieving intromission.

**Stallion** means whole or part interest of the **stallion** or **stallions** specifically listed in the **certificate** for coverage under the Stallion Permanent Disability Optional Benefit.

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**Stallion manager** means the manager appointed by **you** or the **syndicate manager** to be responsible for the day to day care of the **insured stallion**.

**Stock** means **horse(s)**.

**Syndicate manager** means the manager appointed in any syndicate agreement relating to the **insured stallion** to conduct the affairs of the syndicate.

**Veterinary surgeon** means experienced in equine practice with a currently valid license, issued by the appropriate governing agency, allowing him to practice veterinary medicine.

**We/us/our** means **FMG** or **Quadrant**

**Wobbler Syndrome** means a **horse** suffering from cervical vertebral malformation and/or spinal cord compression and/or cervical compressive myelopathy. The following grades of severity apply:

- (a) Grade 0: Neurologically Normal
- (b) Grade 1: Neurological defects barely detectable at normal gaits; exacerbated by excitatory tests
- (c) Grade 2: Neurological defects readily seen at walk
- (d) Grade 3: Neurologically worse defects and a **horse** may stumble or fall with manipulation
- (e) Grade 4: **horse** may fall at normal gaits
- (f) Grade 5: Recumbent

**You/your/yourself** means the **insured**.