



Lloyd's Equine Certificate

Effected through

This Contract is issued in consideration of the premium specified herein, and a written proposal, bearing the date stated in the Schedule, which is agreed to be the basis of this contract and to be considered as incorporated in this Contract.

The liability of an insurer under this contract is several and not joint with other insurers party to this contract. An insurer is liable only for the proportion of liability it has underwritten. An insurer is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is an insurer otherwise responsible for any liability of any other insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a Lloyd's syndicate and the total of the proportions underwritten by all the members of the syndicate taken together is shown in the Agreement identified by the Contract number stated in the Schedule.

Each member of the syndicate (rather than the syndicate itself) is an insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Although reference is made at various points above to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

In Witness whereof this Contract has been signed at the place stated and on the date specified in the Schedule by

Words and terms appearing in all capital letters (other than headings) are defined in the GLOSSARY below.

The use of the word “his” “him” or “he” means: his, him, he, her, she, their, them or they, as applicable.

GLOSSARY

As used herein:

1. 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.

2. HORSE means:

Whole or part interest of the HORSE or HORSES specified in the Schedule.

3. HUMANE DESTRUCTION means:

- a) that the HORSE incurs an injury or is afflicted with an excessively painful disease, and a VETERINARY SURGEON appointed by the Underwriters 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 the INSURED 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 the Underwriters.

4. INSURED means:

The person(s), partnership, corporation or organisation specified in the Schedule.

5. VETERINARY SURGEON and/or VETERINARIAN means:

A veterinary surgeon experienced in equine practice with a currently valid licence, issued by the appropriate governing agency, allowing him to practise veterinary medicine.

6. POST-MORTEM means:

A post-mortem, which shall include a necropsy examination, made by a VETERINARY SURGEON including, but not limited to establishing the identity, the cause of death or the reason for the HUMANE DESTRUCTION of the HORSE.

7. CLAIMING RACE means:

Any claiming, selling, auction, combination or other type of race in which the ownership interest of the HORSE can change.

INSURING AGREEMENT

The Underwriters agree that, subject to the following terms, conditions and exclusions, in the event of the death or HUMANE DESTRUCTION of the HORSE:

- a) during the period of this Insurance; or
- b) for insurances with an annual period or longer, within ninety (90) days after the expiry of this Insurance as a result of any accident, injury, illness or disease first occurring and first manifesting itself during the period of this Insurance, and subject to written notice of such accident, injury, illness or disease having been given immediately to the Underwriters and in any event before the expiration of this Insurance, the Underwriters will indemnify the INSURED in respect of the FAIR MARKET VALUE of the HORSE at the time of first manifestation of the accident, injury, illness or disease causing its death or HUMANE DESTRUCTION, up to but not exceeding the limit of the Underwriters' liability specified in the Schedule.

INSURED'S AGREEMENT

The INSURED agrees:

- a) to adhere to all of the terms and conditions of this Insurance;
- b)
 - i) that a breach of any such term or condition expressed to be a condition precedent to liability shall release the Underwriters from liability; and
 - ii) that a breach of any term or condition not expressed to be a condition precedent to any liability may render the claim to which that breach relates null and void.

A breach of b) above is deemed to have occurred whether the INSURED has personal knowledge of such circumstances or events or such knowledge is confined to his family, representatives, agents, employees, bailees or other persons who have care, custody or control of the HORSE.

EXCLUSIONS

1. In the event that the HORSE is subject to a government or public or local authority quarantine and/or restriction order relating to an outbreak or suspected outbreak of a disease, this insurance does not cover death, intentional slaughter or HUMANE DESTRUCTION of the HORSE directly or indirectly attributable to said disease.
2. This Insurance does not cover intentional slaughter of the HORSE.

The Underwriters will not invoke this exclusion:

- a) where the Underwriters shall have expressly agreed to the destruction of the HORSE; or
- b) subject always to Exclusion 1, in the case of HUMANE DESTRUCTION; or
- c) 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.

3. This Insurance does not cover 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 this Insurance and to have been carried out in an emergency attempt to save the HORSE's life; or
 - b) the giving 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, injury, illness or disease occurring during the period of this Insurance. As used in this Insurance, medication includes any drug, hormone, vitamin, protein or other substance other than unadulterated food or drink; or
 - c) malicious or wilful injury or criminal or intentional acts or omissions by the INSURED, his family, representatives, agents, employees, VETERINARY SURGEONS, bailees or other persons who have care, custody or control of the HORSE; or
 - d) failure by the INSURED his 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 Schedule.

4. This Insurance does not cover 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) nuclear reaction, nuclear radiation or 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
 - 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.

In any claim, and in any action, suit or proceeding to enforce a claim for death or HUMANE DESTRUCTION under this Insurance, the burden of proving that the death or HUMANE DESTRUCTION does not fall within Exclusion 4 (a), (b), or (c) shall be upon the INSURED.

CONDITIONS

1. It is a condition precedent to any liability of the Underwriters that at the commencement of this Insurance the HORSE is, with the exception only of those conditions which have been completely and accurately disclosed to and accepted in writing by the Underwriters, in sound health and free from any illness, disease, lameness, injury or physical disability whatsoever.

This condition precedent shall also apply in respect of:

- a) any additional sums insured on the HORSE already insured; and/or

- b) any HORSE added to this Insurance; and/or
- c) any other extension of or addition to coverage.

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

2. The Underwriters' acceptance of a Veterinary Certificate, or Declaration of Health where such declaration has been accepted by the Underwriters as a satisfactory substitute for a Veterinary Certificate, submitted in connection with the INSURED's 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 Condition 1 in respect of the HORSE. However, if the Underwriters have accepted a Veterinary Certificate, or Declaration of Health where such declaration has been accepted by the Underwriters 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 Insurance shall be upon the Underwriters.
3. It is a condition precedent to any liability of the Underwriters that, at the commencement of this Insurance (or any increase, extension or addition to coverage), the INSURED is the sole owner of the HORSE. This Insurance shall cease to cover the HORSE immediately when the INSURED sells the HORSE or parts 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 Insurance shall cease to cover such HORSE at midnight, local time, immediately prior to the day of such operation. The INSURED shall be entitled to a pro rata return of premium on the HORSE.
5. In the event that at any time during the period of this Insurance the HORSE is:
 - a) entered or raced in any CLAIMING RACE in which the INSURED's interest in the HORSE as specified in the Schedule could have been claimed or sold at a price that is less than the Underwriters' limit of liability specified in the Schedule, then the Underwriters' limit of liability shall automatically be reduced to the lowest amount for which the INSURED's interest in the HORSE as specified in the Schedule could have been claimed or sold in such race; or
 - b) entered but not sold in a public auction and the Underwriters' limit of liability specified in the Schedule exceeds the highest amount bid in such public auction for the INSURED's interest in the HORSE as specified in the Schedule, then the Underwriters' limit of liability specified in the Schedule shall automatically be reduced upon the HORSE leaving the sale ring to the highest amount bid in such public auction for the INSURED's interest in the HORSE as specified in the Schedule.

In the event that the Underwriters' limit of liability specified in the Schedule is reduced under this condition, the INSURED shall be entitled to a return of premium on the amount by which the Underwriters' limit of liability shall have been reduced, calculated on a pro rata basis from the date of such reduction.

6. It is a condition precedent to any liability of the Underwriters that, during the entire period of this Insurance, the HORSE shall remain within the geographical limits stated in the Schedule.
7. It is a condition precedent to any liability of the Underwriters that:

- a) in the event of any illness, disease, lameness, injury, accident or physical disability whatsoever of or to the HORSE, the INSURED shall immediately, at his own expense, employ a VETERINARY SURGEON and , if required by the Underwriters, allow removal of the HORSE for treatment; and
 - b) in the event of the death or HUMANE DESTRUCTION of the HORSE, the INSURED shall immediately at his own expense arrange for a POST-MORTEM to be done by a VETERINARY SURGEON and submit a copy of the report to the Underwriters as soon as possible after the death or HUMANE DESTRUCTION of the HORSE; and
 - c) in the event of either 7a) or b), the INSURED shall immediately give notice to the person or persons specified for the purpose of notification in the Schedule, who will instruct a VETERINARY SURGEON on the Underwriters' behalf, if deemed necessary;
 - d) the Underwriters have the right to have a POST-MORTEM carried out by their VETERINARY SURGEON at their own expense.
8. After receiving permission from the Underwriters, the INSURED shall arrange for the removal and disposal of the remains of the HORSE at his own expense. The Underwriters are entitled to receive any money recoverable by the INSURED in excess of the removal and disposal costs if the remains are sold.
9. It is a condition precedent to any liability of the Underwriters that the INSURED shall file with the Underwriters a detailed Claim Form and Release within sixty (60) days after the death or HUMANE DESTRUCTION of the HORSE.
10. The INSURED shall at all times co-operate with the Underwriters and their representatives in the investigation and adjustment of any actual or potential claim by:
- a) providing immediately upon request by the Underwriters or their representatives access to any person(s), copies and originals of all veterinary records whether held by the INSURED, or by VETERINARY SURGEONS or other third parties; and
 - b) providing immediately upon request by the Underwriters or their representatives all information relating to the condition, history, performance, value or otherwise of the HORSE which the Underwriters or their representatives may reasonably require; and
 - c) the INSURED, his family, representatives, agents, employees, bailees or other persons having care, custody or control of the HORSE submitting to examinations under oath, if required by the Underwriters or their representatives;

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

11. If at the time of death or HUMANE DESTRUCTION of the HORSE the INSURED has any other insurance in force in respect of the HORSE, whether or not such insurance is valid or collectable, the Underwriters shall be released from all liability in connection with the HORSE, unless the agreement of the Underwriters to such other insurance has been obtained and has been endorsed to this Insurance. If the Underwriters have agreed to endorse any other insurance to this Insurance, then the Underwriters shall only be liable for their proportion of the FAIR MARKET VALUE in the same ratio as the Underwriters' limit of liability on this Insurance bears to the total amount of all insurance coverage on the HORSE for death or HUMANE DESTRUCTION, whether valid or collectable or not.

12. If the Underwriters make any payment under this Insurance, then the Underwriters shall be subrogated, to the extent of such payment, to all rights and remedies of the INSURED against any party and shall be entitled at their own expense to sue in the name of the INSURED.

The INSURED shall execute all documents and give to the Underwriters all such assistance as the Underwriters may require to secure such rights and remedies. The INSURED shall do nothing to jeopardise or extinguish the rights against a third party or parties to which the Underwriters are subrogated, and shall take all necessary steps to preserve such rights.

The Underwriters shall be entitled to all recoveries from third parties until the amount of the Underwriters' payment under this Insurance has been satisfied in full plus any entitlement to interest from the date of payment of a claim before any monies are paid to the INSURED for his uninsured loss, if any.

Any sums or property received by the INSURED that are due to the Underwriters under their rights of subrogation shall be held on trust for the Underwriters and shall, subject in respect of a recovery of the HORSE to Additional Theft Condition f) below, immediately be paid and/or delivered to the Underwriters following receipt.

13. This Insurance is null and void from inception and the Underwriters are released from all liability hereunder if the INSURED or anyone acting on behalf of the INSURED has:

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

14. Cancellation

- a) This Insurance may be cancelled on a short rate basis as set out below at the written request of the INSURED stating at what date thereafter such cancellation is to be effective.

Short Rate Scale (being the Underwriters' retained premium)

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

Plus any additional in full premium, to be retained by the Underwriters for additional risks including but not limited to surgery, transit and foals.

- b) This Insurance may be cancelled by the Underwriters at any time by mailing written notice to the INSURED's address as shown in the Schedule, stating a date at least five (5) days from the date of the notice, when cancellation will be effective. In such case the Underwriters shall return the paid premium less the earned portion calculated on a pro rata basis from the date of such cancellation. Plus any additional in full premium, to be retained by the Underwriters for additional risks including but not limited to surgery, transit and foals.
- c) If a loss is paid on the HORSE whether by settlement, compromise or otherwise, no return of premium shall be allowed in respect of the HORSE.

15. Where the Underwriters shall have admitted in writing the validity of a claim but there remains a dispute between the Underwriters and the INSURED 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 the INSURED from a list, current at the time of selection and as maintained by the Underwriters, of a minimum six (6) individual members of the Federation of Bloodstock Agents (G.B.) Ltd, a copy of such list being at all times available to the INSURED and his Brokers;
 - b) Within twenty eight (28) days of notification by the INSURED to the Underwriters of the appointment of the selected Arbitrator, the INSURED and the Underwriters 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 fourteen (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) The INSURED and the Underwriters 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 the Underwriters to the INSURED within twenty one (21) days of the Award;
 - e) If the Underwriters and the INSURED 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, the INSURED's proportion (if any) being deducted from the amount payable by the Underwriters to the INSURED pursuant to the award.
 - f) This Arbitration Clause is exclusive, so that neither the INSURED nor the Underwriters may bring suit as to the FAIR MARKET VALUE of the HORSE in any other forum.
16. The law and jurisdiction applicable to this Insurance contract are as stated in the Schedule.
17. The INSURED may not bring legal action against the Underwriters unless the INSURED has first complied with all the terms and conditions of this Insurance and commenced such legal action within twelve (12) months from the date of the loss of the HORSE.
18. Terms of this Insurance which are in conflict with the laws of the state or country in which this Insurance is issued are hereby amended to conform to such laws.

**EQUINE ECONOMIC SLAUGHTER AND PERMANENT LOSS OF USE
EXTENSION ENDORSEMENT**
(For attachment to L.E. (U.K.& Overseas))

Subject to all of the terms, conditions and exclusions of the Insurance to which this Endorsement is attached and in consideration of the premium charged and notwithstanding Exclusion 1 of this Insurance, if during the period of this Insurance a HORSE in the opinion of the INSURED's and the Underwriters' VETERINARY SURGEONS is rendered permanently incapable of fulfilling the purpose for which it is kept or employed as stated in the Schedule, and such incapacity justifies the destruction of the HORSE for economic reasons, this Insurance shall indemnify the INSURED up to, but not exceeding **...75...% (...seventy five per cent)** of whichever is the lower of the FAIR MARKET VALUE or the limit of liability specified in the Schedule in respect of such HORSE.

The Underwriters shall have the right, if they so elect, to take undisputed ownership of the HORSE and all papers pertaining to it. In the event of the Underwriters not electing to take ownership of the HORSE, a certificate of destruction is required to be attached to the Claim Form and Release before the Underwriters will agree to make any payment under this Insurance.

ADDITIONAL CONDITONS

1. It is a condition precedent to the Underwriters' liability under this Endorsement that the permanent incapacity referred to in paragraph 1 results from an accident, injury, illness or disease first occurring and first manifesting itself during the period of this Insurance, and that written notice of such accident, injury, illness or disease shall be given immediately to the Underwriters and in any event before the expiration of this Insurance.
2. Following notification in accordance with Additional Condition 1) above, in the event that such accident, injury, illness or disease has not resulted in a permanent total incapacity until after the expiry date of this Insurance, claims shall be considered under this Endorsement providing the permanent total incapacity as agreed by two VETERINARY SURGEONS, one appointed by the INSURED and one appointed by the Underwriters, shall have arisen within 12 (twelve) months from the date of such occurrence and manifestation.
3. Following notification in accordance with Condition 1 the Underwriters shall have the option of removing the HORSE for examination and/or treatment by the Underwriters' appointed VETERINARY SURGEONS.
4. Any disagreement between the INSURED's and the Underwriters' VETERINARY SURGEONS over the permanent incapacity of the HORSE shall be referred to an independent VETERINARY SURGEON agreed upon by both parties who will act as Arbitrator and whose decision shall be binding on both the INSURED and the Underwriters. The fees of the appointed VETERINARY SURGEONS shall be paid by the appointing party, and the fee of the mutually agreed Arbiter VETERINARY SURGEON shall be apportioned equally between the INSURED and the Underwriters.
5. In the event of the Underwriters being liable to indemnify the INSURED under the terms of this Endorsement, and in the event the INSURED elects to keep the HORSE for personal pleasure purposes only and in retirement from any competition use, then in place of the indemnity otherwise payable hereunder, the Underwriters will pay **50% (fifty per cent)** of whichever is the lower of the FAIR MARKET VALUE or the limit of liability specified in the Schedule in respect of such HORSE, the Underwriters' liability in respect of such HORSE ceasing immediately such payment is made. In the event the INSURED elects to keep the HORSE for personal pleasure purposes and following acceptance of a claim under this Endorsement and prior to settlement, the INSURED shall at their own expense have the HORSE marked in accordance with the Underwriters requirements and produce to the Underwriters the appropriate certification that the marking has been carried out.

ADDITIONAL EXCLUSIONS

This Endorsement shall not indemnify the INSURED for any loss:

- a) as a result of blemishing;
- b) due to inability of the HORSE to breed;
- c) as a result of a HORSE being barred from participating in shows by virtue of competition regulations, such exclusion being applicable only with respect to any HORSE suffering from a wind condition or which has been operated on for such conditions;
- d) as a result of lack of ability or suitability or behavioural problems.

Words and terms appearing in all capital letters (other than headings) are defined in the L.E. Insurance Form, of which this Endorsement is part

**LMA5080
4 September 2007**

ADDITIONAL COVERAGE: THEFT

This Insurance also covers the following losses which occur during the period of this Insurance:

- (i) theft of the HORSE; or
- (ii) death or HUMANE DESTRUCTION of the HORSE directly resulting from theft of the HORSE.

BUT, IN ADDITION TO THE PRECEDING TERMS, CONDITIONS AND EXCLUSIONS, THIS INSURANCE IS SUBJECT TO THE FOLLOWING:

ADDITIONAL EXCLUSION

This Insurance does not cover any loss directly or indirectly arising from unexplained disappearance, escape or voluntary parting of possession of or title to the HORSE as a result of the INSURED, or other persons who have care, custody or control of the HORSE, being induced by fraud, trickery or similar false pretences.

ADDITIONAL CONDITIONS

- a) It is a condition precedent to any liability of the Underwriters that prior to the commencement date of this Insurance there has been no theft or attempted theft of the INSURED's equine property, or threat against the INSURED or the INSURED's equine property whether insured hereunder, insured elsewhere or uninsured.
- b) No liability arises under this Insurance for loss of the HORSE by theft until ninety (90) days after the incident is reported to the Underwriters and then only in the event that the HORSE has not been recovered during that period.
- c) It is a condition precedent to any liability of the Underwriters that the INSURED will immediately report the theft of the HORSE to the Underwriters and to the local Police and follow strictly their

recommendations.

- d) Should the INSURED pay or promise to pay a ransom or give similar assurances of any such nature to any third party the Underwriters shall be released from all liability under this Insurance.
- e) In the event of a loss under this Insurance, the Underwriters will indemnify the INSURED in respect of the FAIR MARKET VALUE of the HORSE at the time of the theft, up to but not exceeding the limit of the Underwriters' liability specified in the Schedule.
- f) In the event of any payment under this Insurance, the Underwriters reserve the right to take title and possession of the HORSE if the HORSE subsequently is recovered.
- g) 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 Insurance.

EQUINE AGREED VALUE EXTENSION ENDORSEMENT
(For attachment to L.E. Mortality Forms)

GLOSSARY (in the context of this Endorsement):

AGREED VALUE means the limit of the Underwriters' liability specified in the Schedule of the HORSE provided that the Underwriters have:

- 1. accepted in writing a written valuation of the HORSE; or
- 2. accepted in writing a valuation of the HORSE without the requirement of a written valuation; or
- 3. accepted in writing the purchase price of the HORSE bought in a public auction as the value of the HORSE in lieu of a written valuation.

Subject to all the terms, conditions and exclusions of the Insurance to which this Endorsement is attached and further subject to the Additional Condition Precedent contained in this Endorsement, and in consideration of an additional premium that may be charged, the FAIR MARKET VALUE of the HORSE shall be deemed to be the AGREED VALUE.

However, in the event that at any time during the period of the Insurance to which this Endorsement is attached the HORSE is:

- a) entered or raced in any CLAIMING RACE in which the INSURED's interest in the HORSE as specified in the Schedule could have been claimed or sold at a price that is less than the Underwriters' limit of liability specified in the Schedule, then the Underwriters' limit of liability shall automatically be reduced to the lowest amount for which the INSURED's interest in the HORSE as specified in the Schedule could have been claimed or sold in such race; or
- b) entered but not sold in a public auction then this Endorsement shall automatically cease to apply to such HORSE immediately upon the HORSE leaving the sale ring and if a covered loss of the HORSE occurs, the Underwriters will indemnify the INSURED in respect of the FAIR MARKET VALUE of the INSURED's interest in the HORSE as specified in the Schedule as of the time of the theft, or as of the time of the accident, injury, illness or disease causing its death or HUMANE DESTRUCTION, up to but not exceeding the Underwriters' limit of liability specified in the Schedule; or

- c) sold in a public auction but the sale is subsequently rescinded or nullified, this Endorsement shall automatically cease to apply to such HORSE immediately upon the fall of hammer resulting in that sale and if a covered loss of the HORSE occurs, the Underwriters will indemnify the INSURED in respect of the FAIR MARKET VALUE of the INSURED's interest in the HORSE as specified in the Schedule as of the time of the theft, or as of the time of the accident, injury, illness or disease causing its death or HUMANE DESTRUCTION, up to but not exceeding the Underwriters' limit of liability specified in the Schedule; or
- d) appraised
 - (i) on behalf of the INSURED and/or a financial lender and the appraised value for the INSURED's interest in the HORSE as specified in the Schedule is less than the Underwriters' limit of liability specified in the Schedule, then from the date(s) of the appraisal(s) the Underwriters' limit of liability shall automatically be reduced to the lowest amount at which the INSURED's ownership interest in the HORSE as specified in the Schedule was so appraised; or
 - (ii) by or on behalf of the Underwriters and the appraised value for the INSURED's interest in the HORSE as specified in the Schedule is less than the Underwriters' limit of liability specified in the Schedule, then from the date written notice of the result of the appraisal by or on behalf of Underwriters is sent to the INSURED's last known address, the Underwriters' limit of liability shall automatically be reduced to the lowest amount at which the INSURED's interest in the HORSE as specified in the Schedule was so appraised.

In the event of a), b) or d) above, the INSURED shall be entitled to a return of premium based on the amount by which the Underwriters' limit of liability has been reduced, calculated on a pro rata basis from the date the INSURED gives notice of such event by telephone or telecopy to the Underwriters, via the person or person specified in the Schedule for the purpose of notification. In the event of c) above, the INSURED shall be entitled to a return of premium representing the difference between the premium amount the Underwriters charged for the HORSE being insured at the AGREED VALUE and the premium the Underwriters would have charged for the HORSE being insured in the amount that the Underwriters settle a claim for the loss of the HORSE, calculated on a pro rata basis from the date the INSURED gives notice of such event by telephone or telecopy to the Underwriters, via the person or persons specified in the Schedule for the purpose of notification.

ADDITIONAL CONDITION PRECEDENT

It is a condition precedent to any liability of the Underwriters under this Endorsement that, in respect of the HORSE to which this Endorsement applies, in the event:

- i) of any change in the circumstances which were the basis of a valuation or purchase price accepted by the Underwriters, including but not limited to such circumstances ceasing to exist; or
- ii) of any change in the use of a HORSE where such changed use is not stated in the Schedule in respect of such HORSE; or
- iii) that a Mare stated in the Schedule, for which limit of the Underwriters' liability is based on the Mare being "in foal", ceases to be "in foal";

the INSURED shall immediately give notice of those circumstances or events by telephone or telecopy to the Underwriters, via the person or persons specified in the Schedule for the purpose of notification.

Any breach of this Additional Condition Precedent, whether the INSURED has personal knowledge of such circumstances or events or such knowledge is confined to his family,

representatives, agents, employees, bailees or other persons who have care, custody or control of the HORSE, shall render this Endorsement null and void with respect to such HORSE and the Underwriters' indemnity shall be the FAIR MARKET VALUE of the INSURED's interest in the HORSE as specified in the Schedule at the time of the theft, or the accident, injury, illness or disease causing its death or HUMANE DESTRUCTION, up to but not exceeding the Underwriters' limits of liability specified in the Schedule.

Words and terms appearing in all capital letters (other than headings) are defined in the GLOSSARY above and/or in the L.E. Equine Insurance Form, of which this Endorsement is part.

LMA5076

**EQUINE AMENDATORY ENDORSEMENT
(For attachment to LE (UK & Overseas) LMA3064)**

Exclusion 1 is amended to read as follows:

This Insurance does not cover intentional slaughter of the HORSE 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. The Underwriters will not invoke this exclusion:

- a) where the Underwriters shall 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 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.

Exclusion 2 is deleted.

All other terms and conditions remain unaltered.

**LMA5105 Amended
20 May 2008**

**EQUINE TWELVE MONTHS EXTENSION CLAUSE
(For attachment to L.E. (U.K.) Equine Insurance)**

Subject to all of the terms, conditions and exclusions of the Insurance to which this clause is attached, and in consideration of the renewal of this Insurance with the expiring Underwriters and of the additional premium paid, it is understood and agreed that the 90 day extension period referred to in the "Insuring Agreement" shall be further extended until such time as the accident, injury, illness or disease is no longer life-threatening, but in any case not exceeding a further period of 275 days after the expiration of the original 90 days extension.

In the event of the HORSE being over 13 years of age at the expiration of the original 90 days extension period, then the Underwriters' limit of liability as specified in the Schedule shall be reduced by the following:

25% if a 14 year old,

33% if a 15 year old,

40% if a 16 year old, and

50% if a 17 year old.

This extension clause shall not apply to the HORSE if, at the expiration of the original 90 days extension period, the HORSE is 18 years old or over.

Words and terms appearing in all capital letters (other than headings), are defined in the L.E. (U.K.) Equine Insurance Form, of which this extension clause is part

**23/11/00
NMA2908**

REMOVAL and DISPOSAL COSTS EXTENSION

Coverage under this Policy is extended to pay expenses for the removal and disposal of the insured horse caused by or resulting from death or humane destruction insured hereunder that occurs while this Policy is in force. The expenses for the removal and disposal of the insured horse will only be made payable if they are reported to Quadrant Insurance Group within 60 days of the date of direct physical loss.

This extension is limited to NZD500 in the annual aggregate

The amount we will pay under this section will be in addition to any Limit of Indemnity that applies under this Policy.

No loss shall be payable under this section until a claim has been paid or liability admitted in respect of a physical loss insured horse under the Policy to which this extension is attached and which gave rise to the need for removal and disposal.

All other terms and conditions remain unaltered

SURGICAL OPERATIONS EXTENSION ENDORSEMENT (For attachment to L.E. Mortality Forms)

Subject to all of the terms, conditions and exclusions of the Insurance to which this Endorsement is attached, further subject to the Additional Conditions Precedent and terms contained in this Endorsement and in consideration of an additional premium that may be charged, the Insurance is extended to cover death or HUMANE DESTRUCTION of the HORSE resulting directly or indirectly from a surgical operation.

ADDITIONAL CONDITIONS PRECEDENT

The following are Additional Conditions Precedent to any liability of the Underwriters under this Endorsement:

1. the surgical operation must be performed by a VETERINARY SURGEON qualified to perform the procedure;
2. with the exception of those surgical operations performed in an emergency attempt to save the life of the HORSE, any surgical operation under general anesthesia must be performed at a veterinary clinic, unless certified by a VETERINARY SURGEON that it is in the best interests of the HORSE not to be moved to a clinic; and
3. in the event that the HORSE manifests any illness, disease, lameness, disability or complication of any kind during or after any surgical operation, the INSURED must immediately and in any event before the expiration of this Insurance give notice of such event to the person or entity specified for the purpose of notification in the Schedule, whether or not the surgical operation was advised to the Underwriters.

ADDITIONAL TERMS FOR CASTRATION OR SPAYING

Notwithstanding any condition or exclusion of the Insurance to which this Endorsement is attached and subject to the Additional Conditions Precedent of this Endorsement, the

Insurance shall not cease automatically in respect of a HORSE for castration or spaying. However, where the Insurance to which this Endorsement is attached is subject to any agreed value clause or provision such agreed value clause or provision shall automatically cease to apply to such HORSE immediately upon the commencement of any surgical operation for gelding or spaying and the liability of the Underwriters shall revert to FAIR MARKET VALUE.

Words and terms appearing in all capital letters (other than headings) are defined in the L.E. Equine Insurance Form, of which this Endorsement is part.

**LMA5074 (amended)
4 September 2007**

MAJOR VETERINARY COSTS EXTENSION

This Insurance is extended to Indemnify the Insured for veterinary costs incurred in treating the Insured Horse for an injury or illness suffered during the period of insurance for a maximum period of 12 months from the onset of the injury or illness.

Maximum Indemnity is NZD10,000 or 50% of the Sum Insured in the aggregate, whichever is the lesser.

However, the Insured shall for each and every occurrence requiring veterinary care, bear the first NZD 1,000 or 10% of the Sum Insured, whichever is the greater, up to a maximum of NZD 2,000.

This extension does not apply to any horse

- (i) under twelve months old or over 16 years of age
- (ii) outside New Zealand
- (iii) insured for less than twelve months

or to

- (iv) costs incurred through breeding, foaling or fertility problems
- (v) any sickness or disease contracted or manifesting within 14 days of inception of cover on the Insured Horse.

WARRANTED that Underwriters be immediately advised of any injury or illness likely to result in a claim under this Extension.

WARRANTED that with regard to Recreational Horses, the Indemnity granted by this Extension shall cease immediately should a claim be admitted under the Equine Economic Slaughter and Permanent Loss of Use Extension Endorsement (LMA5080).

All the Conditions, Exclusions and Terms of this Insurance are applicable to this Extension.

CLAUSE L4 (amended)

WOBLER SYNDROME CLAUSE
(For attachment to Equine Policies, excluding USA)

Definitions

Wobbler syndrome: - HORSE is suffering from cervical vertebral malformation and/or spinal cord compression and/or cervical compressive myelopathy.

Grade Levels Definition

0 = Neurologically normal.

1 = Neurological defects barely detectable at normal gaits; exacerbated by excitatory tests.

2 = Neurological defects readily seen at walk.

3 = Neurologically worse defects and a HORSE may stumble or fall with manipulation.

4 = HORSE may fall at normal gaits.

5 = Recumbent.

Subject to all of the terms, conditions and exclusions of the Insurance to which this clause is attached, the Underwriters will indemnify the INSURED in the event of the HORSE being diagnosed during the period of the Insurance as suffering from the condition known as wobbler syndrome of a minimum level of Grade 3, which is deemed to be chronic and progressive in nature, as defined herein and subject to the conditions stated below.

CONDITIONS

- a) It is a condition precedent to any liability of the Underwriters that the diagnosis of wobbler syndrome be supported by an up to date negative test for Equine Protozoal Myelitis and radiographic &/or myelographic evidence where deemed necessary (during the period of this Insurance) confirming wobbler syndrome (as defined above) and that this is deemed by both the INSURED's and the Underwriters' Veterinary Surgeon to be chronic in nature and progressive and of a minimum level of grade 3 as stated above.
- b) This Insurance is extended to cover death or destruction for humane reasons of the HORSE directly caused by, happening through, in consequence of or contributed to by a surgical operation conducted by a Veterinary Surgeon and certified by him to have been necessitated solely by the radiographic &/or myelographic evidence in a) above.
- c) It is a condition precedent to any liability of the Underwriters that in the event of any uncertainty or dispute between the INSURED's and the Underwriters' Veterinary Surgeon as to whether the wobbler syndrome condition confirmed by radiographic &/or myelographic evidence is chronic in nature and progressive and of a minimum level of grade 3 as stated above then a third Veterinary Surgeon mutually agreed upon by the two appointed Veterinary Surgeons shall render an independent opinion which will be final and binding upon the INSURED and the Underwriters. The fees of the appointed Veterinary Surgeon shall be paid by the party making the appointment and the fee of the mutually agreed Veterinary Surgeon shall be apportioned equally between the INSURED and the Underwriters.
- d) In the event of a settlement by the Underwriters of a claim under this extension clause then undisputed title and ownership of the INSURED's interest in the HORSE shall pass to the Underwriters if so desired by them.

TERRORISM EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes 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.

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 any government and/or to put the public, or any section of the public, in fear.

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.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

08/10/01
NMA2920

AVIAN INFLUENZA EXCLUSION (For attachment to L.E Mortality Forms)

Subject otherwise to all of the terms, conditions and exclusions of the Policy to which this exclusion is attached, it is understood and agreed that this Insurance does not cover 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.

Words and terms appearing in all capital letters (other than headings), are defined in the L.E. Equine Insurance Form, of which this exclusion is part

21/12/05
LMA5049
Approved by Lloyd's Market Association

INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

- 1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes
- 1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

10/11/03 CL370

INSTITUTE CYBER ATTACK EXCLUSION CLAUSE

- 1.1. Subject only to clause 1.2 below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.
- 1.2. Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 1.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

CL380 10/11/03

WAR AND CIVIL WAR EXCLUSION CLAUSE

(Approved by Lloyd's Underwriters' Non-Marine Association)

Notwithstanding anything to the contrary contained herein this Policy does not cover 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.

Any summons notice or process to be served upon the underwriters may be served upon:

Mr Scott Galloway
Lloyd's General Representative in New Zealand,
c/o Hazelton Law
Level 3
101 Molesworth Street,
Wellington,
New Zealand

Tel +64 4 472 7570
Fax +64 4 472 7571

NMA Lines Clause

This Insurance, being signed for % of 100.0000%, insures only that proportion of any loss, whether total or partial, including but not limited to that proportion of associated expenses, if any, to the extent and in the manner provided in this Insurance.

The percentages signed in the Table are percentages of 100.0000% of the amount(s) of Insurance stated herein.

NMA2419