

LLOYD'S EQUINE INSURANCE (UK & OVERSEAS) EQUINE POLICY

The INSURED, with the view to effecting an insurance as hereinafter provided with the Underwriters (as defined in the policy), has presented 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 Policy. The INSURED is requested to read this Policy and, if it is not correct, return it immediately for alteration. In all communications the Policy Number appearing on the Policy should be quoted.

INSURING AGREEMENT

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

- a) during the period of this Insurance; or
 - b) for insurances with an annual period or longer only, within ninety (90) days after the expiry of this Insurance as a result of any accident, injury, illness or disease occurring during the period of this Insurance, and subject to immediate written notice of such accident, injury, illness or disease having been given to the Underwriters before the expiry of this Insurance,
- the Underwriters will indemnify the INSURED in respect of the FAIR MARKET VALUE of the HORSE at the time 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 to adhere to all of the terms and conditions of this Insurance and agrees that failure to satisfy any terms and conditions of this Insurance shall release the Underwriters from all liability for individual claims or from this Insurance entirely as stated in Condition 11.

EXCLUSIONS

1. This Insurance does not cover 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.
 2. 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 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 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 intentional acts or omissions by the INSURED, his family, representatives, agents, employees, 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.
 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) 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 3 (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
 - 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, addition or other extension 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 (but please refer to OPERATIONS CLAUSE attached).
 5. 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.
 6. 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 shall, 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 TO ESTABLISH THE CAUSE OF DEATH 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 6a) OR b), THE INSURED SHALL IMMEDIATELY GIVE NOTICE BY TELEPHONE OR TELECOPY TO THE PERSON OR PERSONS SPECIFIED FOR THE PURPOSE IN THE SCHEDULE, WHO WILL INSTRUCT A VETERINARY SURGEON ON THE UNDERWRITERS' BEHALF, IF DEEMED NECESSARY;**
 - d) the Underwriters reserve their rights to have a POST-MORTEM carried out by their VETERINARY SURGEON.
 7. 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.
 8. 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, theft or HUMANE DESTRUCTION of the HORSE.
 9. 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 access to the 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 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.
10. 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 Underwriters' rights of subrogation.

IMPORTANT NOTE

Any breach of any of the above Conditions 1 through 10 and/or any one or more of the additional conditions set forth in any endorsement to this Insurance, 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 the INSURED's claim null and void and release the Underwriters from all liability.

11. This Insurance is null and void and the Underwriters are released from all liability hereunder if 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.
12. 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 additions in full for extra risks such as breeding, jumping, foals and the like.

- 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.

If the period of limitation relating to the giving of such notice is prohibited or made void by any law controlling the construction hereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

- 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.
13. 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 individual members of the Bloodstock Agents Federation New Zealand (Inc), a copy of such list being at all times available to the INSURED and his Brokers;
 - b) Within 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 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 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.
14. 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 months from the date of loss of the HORSE.

LIMITED THEFT AND UNLAWFUL REMOVAL

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 directly resulting from theft of the HORSE; or
- (iii) death, HUMANE DESTRUCTION or permanent loss of possession directly resulting from unlawful removal of the HORSE; or
- (iv) malicious or wilful castration or spaying by or on behalf of those responsible for such unlawful removal of the HORSE.

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

ADDITIONAL EXCLUSIONS

This Insurance does not cover:

- a) any loss arising from: mysterious disappearance, escape or voluntary parting of possession of or title to the HORSE as a result of the INSURED, or others to whom the HORSE has been entrusted, being induced by fraud, trickery or similar false pretences; or
- b) consequential loss.

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 or unlawful removal until 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 any theft or disappearance 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 loss, 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.

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.

RADIOACTIVE CONTAMINATION AND EXPLOSIVE NUCLEAR ASSEMBLIES EXCLUSION

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

This Policy does not cover:

- (a) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
- (b) any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
 - (i) ionising Radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - (ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

WAR AND CIVIL WAR EXCLUSION

(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.

AVIAN INFLUENZA EXCLUSION

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.

OPERATIONS CLAUSE

Notwithstanding anything contained herein to the contrary, it is hereby declared and agreed that this certificate is extended to cover any Animal being operated on under local or general anaesthetic by a qualified Veterinary Surgeon acting in accordance with accepted Veterinary practice. Subject to prior notification to New Zealand Bloodstock Limited in order to review value and warranted normal risk in respect of all gelding operations.

SANCTION LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under the United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

SEVERAL LIABILITY NOTICE

The subscribing Insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing Insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

JURISDICTION AND GOVERNING LAW

The Agreement and any non-contractual dispute or obligation arising out of or in connection with it shall be subject to the law of England and Wales and to the exclusive jurisdiction of the courts of England and Wales save that the Underwriters may, at their discretion, determine the applicable jurisdiction shall be that of the jurisdiction where the Cover holder is domiciled or does business.

HENDRA VIRUS EXCLUSION

It is hereby understood and agreed that in respect of HORSES that:

- a) Are located in the State of Queensland
- b) Visit the State of Queensland at any time during the policy period
- c) Have visited the State of Queensland in the twelve months prior to cover attaching under this policy

This Insurance does not cover any loss directly or indirectly caused by, happening through, in consequence of or contributed to by:

1. Hendra Virus unless the INSURED provides to the Underwriters verification from a VETERINARY SURGEON that the vaccination status of the HORSE is current and up to date against such virus in accordance with the vaccine manufacturers' recommendations; or
2. any cause, where an attending VETERINARY SURGEON declined to treat the HORSE because of the failure of the INSURED to provide to the VETERINARY SURGEON verification that the vaccination status of the HORSE is current and up to date against such virus in accordance with the recommendations of the vaccine manufacturer.

GLOSSARY

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, hers, her, she and their, 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;
 - 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.
 - 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.
4. INSURED means:
The person(s), partnership, corporation or organisation specified in the Schedule.
5. VETERINARY SURGEON means:
Experienced in equine practice with a currently valid license, issued by the appropriate governing agency, allowing him to practice veterinary medicine.
6. 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.