

## SECTION 4

### LIVESTOCK ALL RISK FORM

(Words and phrases that appear in quotation marks have special meaning. Refer to Special Definitions of this form and General Definitions of this policy. This coverage must be shown on the "Declaration Page" of "your" policy for it to apply.)

#### Indemnity Agreement

"We" will indemnify "you" against direct death or destruction of insured livestock caused by the Insured Perils as described and limited.

#### Livestock Insured

This form insures the livestock for which an amount of insurance is specified on the "Declaration Page".

The insured livestock is covered anywhere within the territorial limits of Canada and the Continental United States of America and inland and coastal waterways.

#### Deductible

In any one occurrence, "we" are responsible only for the amount by which the insured loss or damage exceeds the amount of the deductible shown on the "Declaration Page". If one occurrence could lead to the application of more than one deductible, only the largest deductible will apply.

#### Co-Insurance

"You" are required to maintain a limit of insurance on livestock equal to at least the amount that is calculated when the Co-insurance percentage designated on the "Declaration Page" (or 80%, if not shown) is multiplied against the market value of the insured livestock at the time of the loss. Failure to do so will result in "you" only being entitled to recover that portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause.

This clause will apply only where the total loss exceeds the lesser of 2% of the applicable amount of insurance or \$5,000.

#### Insured Perils

If the "Declaration Page" shows Livestock All Risk Form applies, "you" are insured against, death or destruction made necessary by, all risks of direct physical loss to insured livestock, subject to the exclusions, terms and conditions below.

#### Exclusions

##### PROPERTY EXCLUDED

"We" do not insure:

1. livestock illegally acquired or kept;
2. livestock lawfully seized or confiscated;

##### PERILS EXCLUDED

"We" do not insure any loss resulting from, contributed to, or caused directly or indirectly:

1. from the intentional destruction of any animal(s) without "our" prior approval;
2. from suffocation of animals in their own fluids, when caused by the animal's natural inability to regain an upright position;
3. by explosion of steam pressure vessels when their normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure;
4. by huddling, piling, smothering, freezing or stampeding unless it is the immediate and direct result of actual physical damage to the building(s) in which such insured livestock are confined;
5. by "entrapment" or strangulation of livestock in transit or while being loaded or unloaded;

6. by casting, whereby the animal becomes cast or trapped by any contours or depressions of the land, or by its own body weight;
7. by choking on objects or food, or medicine taken;
8. by "entrapment" or strangulation of livestock animals which contracted a disease or were sick prior to "entrapment" or strangulation;
9. by physical injury due to an animal having been split;
10. by frothy bloat, unless the cause of death is a direct result of the ingestion of feed;
11. by the direct birth of an offspring unless the loss occurs within 72 hours of the animal birth;
12. by "heat prostration" unless the animals are in a confined barn and all fans in the barn are working at maximum capacity;
13. by the voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretences;
14. by mysterious disappearance;
15. by any illness or diseases such as (but not limited to) colic, blackleg, tuberculosis or brucellosis. This exclusion does not apply to rabies;
16. to animals that have become non-functional for the purpose which the animal(s) is kept;
17. to reproductive organs;
18. to horses while on the grounds of any public race track or while engaged in any competitive events;
19. to animals in the process of being bred, either by natural or artificial means;
20. to animals being handled or forcibly restrained for care or treatment.

### **Limits**

Livestock is subject to a limit of \$5,000 per animal unless specifically insured.

### **Extensions of Coverage**

The following extensions of coverage shall not increase the amounts of insurance applying under this Form and are subject to all conditions of this Form.

#### Livestock Medicines

Up to 5% of the total limit of insurance on livestock shown on the "Declaration Page" may be applied to medication for livestock while stored on "your" "premises" if it is damaged or destroyed by any of the perils named in this coverage.

### **Conditions**

The following conditions apply to this coverage:

1. "You" must notify "us" immediately of any illness or accident to animal(s) insured by this coverage and, at "your" own expense, immediately provide for adequate treatment by a qualified veterinary surgeon.
2. "You" will be responsible for the removal of deadstock. Salvage value, if any, will be payable to "us".
3. The carcass must not be moved prior to "our" approval.
4. Payment under this coverage may not be made until "you" produce a certificate from the veterinarian confirming that a Post Mortem was performed and certifying the cause of death. We may waive this condition based on the individual circumstances and cause of death or destruction of the animal(s).

### **Premium Adjustment Clause**

If within six months after the expiry or anniversary date of each period of insurance under this policy, "you" file with "us" a Premium Adjustment Form showing, for the said period, the market value of the "Livestock" insured on the last day of each month at each location, subject to verification by "your" accountant, the actual premium for such period will then be calculated at the rate applying to each location for the average amount of the market values declared. If the premium paid by "you" for such coverage exceeds the actual premium calculated above, "we" will refund to "you" any excess paid, subject to a maximum refund of 50% of the premium paid. If any monthly declared values exceed the limit of insurance, the amount of the excess will not be included in the premium.



## **Basis of Claim Payment**

Unless stated otherwise, “we” will pay the “Market Value” of the insured loss or damage up to “your” financial interest in the livestock but not exceeding the applicable amount(s) of insurance for any loss or damage arising out of one occurrence. Where the insurance applies to more than one person or interest, “our” total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the amount or amounts of insurance specified on the “Declaration Page”.

“Market Value” will take into consideration such things as “your” purchase price, cost of similar animals sold at auctions or stock yards, and the price per pound for animals sold for meat value.

Payment will include any accrued subsidies (where applicable) but limited to payment in excess of government compensation.

If “you” qualify for a tax credit, the loss payment will be reduced by that amount.

Any loss or damage will not reduce the amounts of insurance provided by this Form.

## **Special Definitions**

“Physical Injury” means a fracture of a bone(s) which occurs accidentally causing incapacitation of the animal, and leads to its death or destruction.

“Animal Birth” means death or destruction due to, or made necessary by, the direct birth of an offspring.

“Heat Prostration” means the overheating of the animal’s body due to extreme conditions.

“Entrapment” means the accidental and involuntary physical restraint of an animal resulting in its death or destruction.

**ALL THE STATUTORY AND ADDITIONAL CONDITIONS, GENERAL DEFINITIONS AND  
GENERAL LOSS OR DAMAGE NOT INSURED ALSO APPLY TO THIS COVERAGE**