

SECTION 4

LIVESTOCK EXTENDED FORM

(Words and phrases that appear in quotation marks have special meaning. Refer to 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 the "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 Extended Form applies, "your" livestock is insured against, death or destruction made necessary by the following perils as described and limited:

1. Casting, whereby the animal becomes cast or trapped by any contours or depressions of the land, or by its own body weight;
2. Colic;
3. Blackleg;
4. Tuberculosis or Brucellosis, limited to insured values above any Government compensation;
5. Animal Birth, meaning death, resulting from or destruction made necessary due to physical problems associated with the birth process and/or "milk fever" that may develop simultaneously with birth.

There is no coverage for loss:

- (a) occurring after 7 days of the birth of the offspring;
- (b) to the offspring being birthed;
- (c) to animals in excess of 10 of age.

6. Aircraft Transportation, coverage is provided if insured livestock are destroyed or are jettisoned from the aircraft on which they are being transported.

There is no coverage for loss:

- (a) if that order was not made by the pilot or other persons in authority for reason of safety;
- (b) occurring outside the airways of Canada or the United States of America;
- (c) exceeding \$10,000 in any one occurrence.

Limits

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

Conditions

The following conditions apply to Perils 1 to 5 of 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 will not be made until "you" produce a certificate from the veterinarian confirming that a Post Mortem was performed and certifying the cause of death.

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

"Milk Fever" is a disease characterized by reduced blood calcium levels at the onset of lactation.

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