

LIVESTOCK MORTALITY POLICY

A GUIDE TO THIS INSURANCE POLICY

This policy contains various exclusions and limitations that eliminate or restrict coverage. Please read it carefully.

Insurance cannot be a source of profit. It is designed to indemnify you against actual losses or expenses incurred by you or for which you are liable, arising from fortuitous events.

This policy is a legal contract that has been designed for you, based on the occupancy, use, services, utilities and other circumstances pertinent to your property which you disclosed to your broker or agent at the time you completed your application. When there is a change to any of these circumstances be sure to notify your broker or agent accordingly.

In the event of loss or damage to your property, notify your agent or broker or company immediately.

INSURING AGREEMENT

In return for payment of the premium, we provide insurance to indemnify you from loss by the circumstances described in the Coverage section of this policy subject to the terms and conditions set out in the policy. Failure to comply with any term or condition may result in the denial of a claim under this policy.

COVERAGE

We will insure the livestock identified on the Declaration Page against death that results, directly or indirectly:

1. from natural causes, illness, disease or accident, or
2. caused by humane destruction under either of the following circumstances:
 - a. when humane destruction is necessary and occurs within 12 hours of accidental crippling or maiming and a licensed veterinarian so certifies prior to the destruction
 - b. where such destruction has been consented to in writing by the Company.
3. for loss or damage because of theft but excluding escape or mysterious disappearance.

EXCLUSIONS

This policy does not apply to any loss caused directly or indirectly by:

1. illness, disease, or injury having its inception prior to 14 days after the acceptance by the Company of the application upon which this policy is based;
2. the destruction of livestock because such livestock contracted, or was exposed to any contagious disease and the destruction is by order of the Federal Government, Provincial Government or any subdivision thereof;
3. intentional slaughter. However, this exclusion will not apply if:
 - a. we have agreed to the destruction of the livestock; or
 - b. the livestock suffers an injury or contracts an excessively painful illness. A qualified veterinary surgeon, appointed by us, must certify that the livestock's suffering is:
 - i. incurable; and
 - ii. so excessive that immediate destruction is necessary for humane reasons;
 - c. while in air transit the livestock becomes uncontrollable (berserk) and the Captain ordered its destruction for the safety of the aircraft, its passengers or crew;
4. surgical procedures, unless:
 - a. required in an attempt to prevent death or humane destruction; and
 - b. performed and certified by a licensed veterinarian; or
 - c. authorized by us;
5. administration of drugs, medication or inoculation, unless:
 - a. required because of accident, illness or disease; and
 - b. administered by or at the direction of a licensed veterinarian;
6. giving birth unless:
 - a. this policy has been in effect 60 days or more before the death
7. malicious, willful or intentional acts or omissions by you, your employees or bailees;
8. voluntary parting with title or ownership, whether or not induced to do so by any fraudulent scheme, trick, device or false pretence;
9. confiscation, nationalization or requisition;
10. any nuclear incident as defined in the Nuclear Liability Act, nuclear explosion or contamination by radioactive material;
11. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power.

EXTENSIONS OF COVERAGE

Thirty Day Extension

Coverage under this policy is extended to cover death of insured livestock that occurs;

1. within 30 days after this policy expires; and
2. as a result of an accident, illness or disease that:
 - a. occurred during the term of the policy; and
 - b. you reported it to us before this policy expired.

Additional Acquisitions (Equine Only)

If you insure all of your Equine livestock with this Company, all horses subsequently acquired through claiming, private sale or public auction are covered:

1. up to \$50,000 each;
2. if you are the sole owner and purchaser; and
3. in consideration of the premium to be charged

Our limit of liability for this additional acquisition:

1. will be the actual cash value at the time of acquisition; and
2. is subject to our receiving notice that insurance is desired within 48 hours from the time of acquisition, and with the exception of public auction purchases, to

our receiving a clean veterinary certificate completed within 5 days from time of acquisition.

Veterinary Fees

Coverage under this policy is extended to reimburse veterinary fees when such expenses are incurred directly as a result of an attempt to preserve the life of a sick or injured animal, up to but not exceeding 10 percent of the insured value of the animal concerned as stated on the Declaration Page or \$1000 whichever is less. This extension of coverage does not apply for regular or routine veterinary charges or for veterinary expenses incurred during birthing.

Deadstock Removal

This Coverage pays for the cost of removing debris of the livestock insured under this policy.

This coverage, however, does not insure against direct or indirect loss, damage, cost or expense, arising out of the clean-up, removal, containment, treatment, detoxification, decontamination, stabilization, neutralization, or remediation resulting from any actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release, or escape of "pollutants".

Further, this coverage does not insure against direct or indirect loss, damage, cost or expense, for any testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release, or escape of "pollutants".

BASIS OF CLAIM PAYMENT

We will pay you the actual cash value of the livestock at the time of loss up to your financial interest in the property but not exceeding the applicable amount of insurance for any loss arising out of one insured occurrence.

Actual cash value will be the market value of the insured livestock on the date of the insured loss.

If you enter or race an animal in a claiming race, we will pay you no more than the amount for which the animal could have been claimed in its last claiming race.

If you qualify for a tax credit or any other government compensation the loss payment will be reduced by that amount.

Unless otherwise stated, all claim payments will be made to you.

DEFINITIONS

"You" and "Your" – the named insured indicated on the Declaration page.

"We", "us" and "our" – the insurance company (insurer) who is providing this contract of insurance

"Humane destruction" – destruction of an animal to prevent excessive continued suffering due to an incurable injury or terminal disease.

CONDITIONS

1. Territorial Limits

Unless otherwise endorsed, coverage on this policy applies only if the insured livestock are anywhere in, and in transit within, Canada and the United States of America.

2. Sole Owner

Unless otherwise endorsed, we are not liable for any claim on any livestock that you are not the sole owner of.

3. Action by Insured in event of sickness or injury of any livestock

We reserve the right to deny a claim if you do not comply with these conditions.

- a. In the event of sickness or injury of any livestock described on the Declaration Page, you must
 - i. at your expense, immediately secure the services of a licensed veterinarian, give proper care and use every possible means to save the life of the livestock; and
 - ii. immediately give notice of such sickness or injury to the Company by telephone, telegraph, facsimile or email. This Company shall not be liable for any loss where the Insured has failed to comply with the conditions of this section.
- b. In the event that the livestock is stolen or dies, you must;
 - i. immediately give notice of such loss to the Company by telephone, telegraph, facsimile or email and, in the case of a theft notify the police or other authority
 - ii. in the case of death, have a post-mortem examination done, at your expense, by a licensed veterinarian approved by us;
 - iii. give us, within 60 days, a copy of:
 - a. the death certificate; and/or
 - b. the post-mortem examination report; and
 - c. your signed and sworn proof of loss form;
 - iv. cooperate with the investigation by:
 - a. giving us any relevant records or documents we might need;
 - b. submitting to an examination under oath; and
 - c. if it is with your power, have any persons with knowledge of the death or theft submit to an examination under oath.

4. Other Insurance

It is agreed that this policy shall be void if the Insured during the period of this policy makes application for or procures any other livestock mortality policy or any other policy of insurance providing like coverage on the animal or animals described in the Declarations, unless specifically provided by written endorsement and attached to and made part of this policy.

If the Insured has other insurance against a loss covered by this policy, the Company shall not be liable under this policy for a greater proportion of such loss than the applicable limit of liability of this policy bears to the total applicable limits of liability of all valid and collectible insurance against such loss.

5. Subrogation

Upon the payment of loss or expense under this policy, the Company shall be subrogated to the amount of such payment, to the Insured's right of recovery, against such person or entity for such loss or expense and the Insured, at the request of the Company, shall execute all papers required and shall co-operate with the Company to secure such rights. The Company at its expense may conduct all proceedings and litigation in the name of the Insured.

6. Salvage

The Insured agrees as a condition for the issuance of this insurance to pay the Company any money received for salvage or any other salvage value received by the Insured by reason of the death of said insured animal or animals to the extent of the loss payable under this policy.

7. Appraisal

In case the Insured and this Company shall fail to agree as to the actual cash value or the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within twenty days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for fifteen days to agree upon such umpire, then, on request of the Insured or this Company, such umpire shall be selected by a judge of a court of record in the county in which the property covered is located. The appraisers shall then appraise the loss, stating separately actual

cash value and loss to each item; and failing to agree, shall submit their differences, only, to the umpire. An award in writing, so itemized, of any two when filed with this Company shall determine the amount of actual cash value and loss. Each appraiser shall be paid by the party selecting him and the expenses of appraisal and umpire shall be paid by the parties equally.

8. Policy Constitutes Entire Contract

By acceptance of this policy, which includes the Declarations, the Insured agrees that the statements in the Declarations are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy, with such Declarations, embodies all agreements existing between himself and the Company or any of its agents relating to this insurance.

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the Company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed except by endorsement or a change in the Declarations issued to form a part of this policy signed by a duly authorized representative of the Company.

9. Misinterpretation

If a person applying for insurance falsely describes the property to the prejudice of the insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the Insurer in order to enable it to judge of the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

10. Property of Others

Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured therein is stated in the contract.

11. Change of Interest

The Insurer is liable for loss occurring after an authorized assignment under the Bankruptcy Act (Canada) or change of title by succession, by operation of law, or by death.

12. Material Change

Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent, and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium, and in default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

13. Termination

1. This contract may be terminated,
 - a by the Insurer giving to the Insured fifteen days' notice of termination by registered mail or five days' written notice of termination personally delivered;
 - b by the Insured at any time on request.
2. Where this contract is terminated by the Insurer,
 - a the Insurer shall refund the excess of premium actually paid by the Insured proportionate premium for the expired time, but, in no event, shall the proportionate premium for the expired time be deemed to be less than any minimum retained premium specified; and
 - b the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
3. Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
4. The refund may be made by money, postal or express company money order or cheque payable at par.
5. The fifteen days mentioned in clause (1) (a) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

14. Action Against Company

No action shall lie against the Company unless, as a condition precedent thereto, the Insured shall have fully complied with all the terms of this policy, and unless commenced within one year after the death of the animal or animals described on the Declaration Page.

15. When Loss Payable

The loss is payable within sixty days after completion of the proof of loss, unless the contract provides for a shorter period.

16. Fraud

Any fraud or wilfully false statement in a statutory declaration in relation to any of the above particulars vitiates the claim of the person making the declaration.

17. Who May Give Notice and Proof

Notice of loss may be given and proof of loss may be made by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or if the Insured refuses to do so, by a person to whom any part of the insurance money is payable.

18. Premium Earned In Event of Loss

In the event of a loss payment under this policy the premium applicable to the amount of such loss payment shall be deemed to be earned for the full term of the policy and the reduction in the amount insured due to the loss or losses shall reduce the amount insured under the policy, on the item affected.