

Section I - Insuring Agreement

Subject to the terms, conditions, and exclusions hereafter contained, this policy insures up to the fair market value of insured's property (as in Sections II and III below) against losses as direct result of the named perils (as stated in Section IV below) occurring during the stated policy period of the policy.

Fair Market Value means:

The price at which ownership of the Horse would change between a willing buyer and a willing seller, either being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts.

Section II - Property Covered

- A. Horses at or whilst in direct: transit between any specified location (horses defined as Thoroughbreds, Arabians, Quarter horses and Paint Horses which are racing and/or in training for racing and stable ponies which are used in the racing and/or training of same horses).
- B. Tack (defined as any racing material, items or supplies used directly on the insured horses).

Section III - Limits of Liability and Deductibles Applicable

Loss(es) any one member any one occurrence (as described attached) of less than \$2,500 are excluded.

- A.
 - i) \$1,000 per horse on any stable pony.
 - ii) \$25,000 anyone horse (excluding those which are un-raced horses in training not less than two years old at time of loss).
 - iii) \$10,000 any un-raced horse in training not less than two years old at time of loss if sired by a stallion whose stud fee was \$2,500 or less at time of conception.
 - iv) \$20,000 any un-raced horse in training not less than two years old at time of loss if sired by a stallion whose stud fee was more than \$2,500 at time of conception.
- B. \$500 or tack per insured racehorse/stable pony not exceeding \$5,000 any one member any one occurrence (as described attached).

In respect of A i), ii), iii), iv) and B, the policy carries a maximum limit of indemnity any one occurrence (as described attached) of \$300,000 with a maximum limit of indemnity in the aggregate of \$1,500,000.

An any one occurrence (as described attached) deductible of \$25,000 with a maximum deductible in the aggregate of \$50,000.

Section IV – Insured Perils

(A) This policy insures losses arising directly or indirectly as result of the following perils:

Fire
Lightning
Windstorm
Cyclone
Tornado
Hail
Explosion
Riot
Riot attending a strike
Civil commotion
Aircraft and objects falling therefrom
Smoke
Flood
Collapse of bridges or culverts
Collision or derailment or overturn of a vehicle on which the Insured property is being transported
Stranding
Sinking
Burning or collision of vessels including general average and salvage charges incurred
Proven theft
Death of a horse as a result of an electrocution
Death of a horse as a result of a collision of a horse and motor vehicle

(B) Collision

Through collision or derailment or overturn of a vehicle on which the insured property is being transported to and/or from a qualifying facility as indicated on Endorsement of covered locations to and/or from another qualifying facility as indicated on Endorsement of covered locations OR a Public Training Center and/or Private Farm which is listed on Endorsement of covered locations and qualifies for the “Race and Return” collision provisions of this policy ONLY, provided the following information has been supplied by said PTC and/or PF to the NHBPA and the underwriter:

- i) Name of PTC and/or PF (“Facility”),
- ii) Address of facility
- iii) Length of time facility has been in operation
- iv) Name of principal owner of facility
- v) List of race track(s) horsemen at facility most often ship to and from
- vi) Name of vanning company(ies) and equipment used for the transport of horses at the facility
- vii) Any claims or accidents of van drivers servicing the facility in the past three (3) years
- viii) Average number of round

Section V - Exclusions

This policy excludes losses arising directly or indirectly as a result of:

- i) Malicious or willful 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
- ii) Failure by the insured, his family, representatives, agents, employees, bailees or other persons who have care, custody or control of the horses to provide proper care and attention to the horse; or
- iii) Escape and/or mysterious disappearance;
- iv) Radioactive contamination; or
- v) Confiscation or nationalization 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
- vi) War, invasion, act of foreign enemies, hostilities (whether war can be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, strikes, riots, or civil commotion; or
- vii) Terrorism (as per wording attached).
- viii) Aircraft, watercraft, vehicles designed for highway use,
- ix) Accounts, bills, currency, money, notes, securities;
- x) Data processing, equipment and media;
- xi) All other Personal Property not mentioned in Section III;
- xii) Theft or mysterious disappearance of horse tack and/or equipment. ("Tack" for the purpose of this policy shall mean any racing materials, items or supplies used directly on the covered horses, owned by a member of the Association.)

Section VI - Conditions

Subrogation

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 jeopardize or extinguish the Underwriters' rights of subrogation.

In the Event of a Loss

The Member via National Horsemen's Administration Corporation and the National Horsemen's Benevolent & Protective Association, Inc. shall give immediate written notice to Underwriters of any loss, and shall protect the property from further damage; and within sixty days after the loss, unless the said time is extended in writing by the Underwriters, the Member shall render to the Underwriters a Proof of Loss, signed and sworn to, stating the knowledge and belief as to the following: the time and origin of the loss, the interest of the Member, the actual cash value of each animal thereof, and the amount of loss thereto, all encumbrances thereon, all other contracts of insurance, whether valid or not, covering any said property. Said Member, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals may be lost, at such reasonable time and place as may be designated by the Underwriters or their representatives, and shall permit extracts and copies thereof to be made. All notifications, etc. will be sent to RJ. Ketch Equine, 141 Prosperous Place, #22-C Lexington, Kentucky 40509.

Payment of Claims

The amount of loss for which the Underwriters may be liable shall be payable at sixty days after proof of loss, as herein provided, is received by the Underwriters and ascertainment of the loss is made, either by agreement between the Member and the Underwriters expressed in writing or by the filing with the Underwriters an award as herein provided.

Fair Market Appraisal

Provided that coverage under this insurance has been admitted in writing by the Underwriters and the only dispute between the insured and the Underwriters is the fair market value of the horse, then the dispute shall be submitted to and resolved by three arbitrators selected from the panel of Arbitrators of the American Association of Arbitrators (AAA), in accordance with the Commercial Arbitrators Rules of the AAA in effect at the time of such dispute.

Such arbitration will be the exclusive remedy available to the parties in order to resolve a dispute as the fair market value of the horse. The insured, however, may not initiate such arbitration against the Underwriters unless the insured has first complied with all of the terms and conditions of this insurance and has given written notice to the Underwriters of his intention to arbitrate within twelve months from the date of loss of the horse.

Any such arbitration proceeding shall be held at an Office of the AAA, which is the closest to where the insured resides, or as agreed by the Arbitrators.

All administrative fees and expenses of the AAA and the Arbitrators' fees shall be shared equally between the individual N.H.B.P.A. Member insured and the Underwriters, subject to the final apportionment by the Arbitrators in the award. Attorney fees and witness fees shall be paid by the party incurring them.

The insured and the Underwriters shall both be entitled to conduct and obtain discovery as provided for by the Federal Rules of Civil Procedure prior to any hearings conducted by the Arbitrators. Any disputes arising out of or in connection with such discovery shall be submitted to the Arbitrators for determination.

Any award rendered by the Arbitrators shall be final and binding upon the insured and the Underwriters and may be entered in any Court of competent jurisdiction.

Other Insurance

This policy will be excess of any other insurance in effect at the time of loss or damage to any animal. The policy's liability will not extend beyond limits or perils named in the policy.

Salvage and Recoveries

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by, the parties hereto.

False or Fraudulent Claims

If a member shall make any claim knowing the same to be false or fraudulent, as regards to amount of otherwise, this policy shall become void for' such member and his/her claim hereunder shall be forfeited.

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 atone or on behalf of or in connection with any organization(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.

Loss Occurrence Clause

The term "Loss Occurrence" shall mean the sum of all individual losses directly occasioned by anyone disaster, accident or loss or series of disasters, accidents or losses arising out of one

event which occurs within the territorial limits of the Policy. However, the duration and extent if anyone "Loss Occurrence" shall be limited to all individual losses sustained by the Company occurring during the period of 14 consecutive days arising out of and directly occasioned by the same event except that the term "Loss Occurrence" shall be further defined as follow:

- i) As regards windstorm, hail, tornado, hurricane, cyclone, individual ensuing collapse and water damage, all individual losses sustained by the Company occurring during any period of 14 consecutive days arising out of and directly occasioned by the same event.
- ii) As regards riot, riot attending a strike, civil commotion, vandalism and malicious mischief, all individual losses sustained by the Underwriters occurring during any period of 14 consecutive days. The maximum duration of 14 consecutive days may be extended in respect of individual losses which occur beyond such 14 consecutive days during the continued occupation of an Assured's premises by strikers, provided such occupation commenced during the aforesaid period.
- iii) As regards earthquake (the epicenter of which need not necessarily be within the territorial confines referred to in the Opening paragraph of this article) and fire following directly occasioned by the earthquake, only those individual fire losses which commence during the period of 14 consecutive days may be included in the "Loss Occurrence".

It is agreed that the Assured may choose the date and time when any such period of consecutive days commences provided that it is not earlier than the date and time of the occurrence of the first recorded individual loss sustained by the Underwriter arising out of that disaster, accident, or loss and provided that only one such period of 14 consecutive days shall apply with respect to one event.

COVERED LOCATIONS

State Affiliate

Arizona

Arkansas

Charles Town

Finger Lakes

Florida

Idaho

Illinois

Indiana

Race Track

Yavapi Downs (Prescott)
Turf Paradise

Oaklawn

Charles Town

Finger Lakes

Gulfstream Park

Les Bois

Fairmount Park

Hoosier Park
Indiana Downs

Iowa	Prairie Meadows
Kentucky	Churchill Downs
	Ellis Park
	Keeneland
	Kentucky Downs
	Turfway Park
Louisiana	Delta Downs
	Evangeline Downs
	Fairgrounds
	Harrah's Louisiana Downs
Michigan	Great Lakes Downs
Minnesota	Canterbury Park
Montana	Metra Park
	State Fair
	Western Montana
Mountaineer Park	Mountaineer Park
Nebraska	Columbus Races
	Fonner Park
	Horseman's Atokad Downs
	Horseman's Park
	NE State Fair Park
New England	Northampton Fair
	Suffolk Downs
Ohio	Beulah Park
	River Downs
	Thistle Downs
Oklahoma	Remington Park
Oregon	Portland Meadows
Pennsylvania	Penn National
Tampa Bay	Tampa Bay Downs
Texas	Lone Star Park
	Manor Downs
	Retama Park
	Sam Houston
Virginia	Colonial Downs

Washington

Emerald Downs

COVERED LOCATIONS FOR COLLISION ONLY:

Indiana

Glenwood Training Center

Kentucky

The Thoroughbred Center

Louisiana

Benton Training Center, IMP

Nebraska

Phil Storms Farm
Herb Riecken Thoroughbred Farm
Julie Larmon - Fantasy Farm
Marvin A. Johnson Farm

Washington

Dunn Bar Ranch
Carnation Racing Stables
Donida Farm Training Center
Heritage Farm Thoroughbred Training Center
Homestretch Farm
McCanna Training Center
Orting Training Center
Paulson Brothers Thoroughbred Ranch

West Virginia

Jim & Betsy Harrells Training Center

POLICY PROVISIONS - PART A OF
LIVESTOCK SPECIFIED PERILS POLICY
GREAT AMERICAN ASSURANCE COMPANY

(A stock insurance company, herein called the company)

In consideration of the stipulations herein named and payment of the premium specified within, the Company agrees with the Named Insured, hereinafter called the Insured, as follows:

PROPERTY COVERED AND AMOUNT INSURED

This policy insures the livestock described in the Schedule set forth herein, only while solely and unconditionally the property of the Insured, wherever they may be for the actual cash value of each animal at the time of loss as covered under the policy, up to but in no event to exceed the amount stated in the said Schedule, and each animal shall be deemed to be separately insured hereunder.

PERILS INSURED

It is understood and agreed that the animal(s) detailed in the Schedule hereof is/are ONLY covered against Claim for Loss as a result of Death or Destruction caused by or made necessary from the perils described hereunder:

- (a) Fire and lightning, or smoke resulting there from;
- (b) Collision, derailment or overturning of conveyances while in transit by railroad including loading and unloading (but the coming together of railroad cars during coupling operations shall not be deemed a collision within the meaning of this Policy);
- (c) Collision, stranding, sinking or burning of vessels including General Average and/or Salvage charges incurred in connection therewith on inland waterways only;
- (d) Collision or overturning of the vehicle including loading and unloading in which the animal(s) is/are being conveyed except collision with other vehicles owned or operated by, or in the use, custody or control of the Insured, his employees or agents;
- (e) Collapse of bridges or culverts, earthquake and/or floods;
- (f) Windstorm, cyclone, tornado, hail, explosion, aircraft and objects falling there from;
- (g) While on board or being loaded into or unloaded from any aircraft licensed for passenger and/or cargo carrying from airport to airport while being transported between the places of departure and destination, excluding intentional destruction of an animal which becomes uncontrollable (berserk), unless directly resulting from an accident of the aircraft.

Warranted the said stock is not loaded on any aircraft with any other stock to which they have a natural antipathy.

That the said stock may be exercised only under control at any port of call.

THIS COMPANY SHALL NOT BE LIABLE FOR

- A. Intentional slaughter, except that the Company will not invoke this particular exclusion as a defense where the Company shall have expressly agreed to the destruction of the animal, or where a veterinary surgeon appointed by the Company shall first have given a certificate that destruction is necessary to terminate incurable suffering, or where a certificate is given by a qualified veterinary surgeon appointed by the Insured that the suffering is incurable and so excessive that immediate destruction is imperative for humane reasons without waiting for the appointment of a veterinary surgeon by the Company provided that in all such cases the Company shall be given the opportunity of having a post – mortem examination carried out by the Company’s veterinary surgeon should they so desire.
- B. This policy does NOT cover death directly or indirectly caused by, happening through or in consequence of:
 - (1) Death or destruction directly or indirectly due to a malicious or willful act by the Insured, employees or Agents;
 - (2) Willful misconduct or negligence of the Insured, his servants or agents;
 - (3) The Insured, his servants or agents, having caused or suffered anything to be done whereby the risks hereby insured against are, or may be, increased;
 - (4) Any breach of law by the Insured;
 - (5) Nuclear fission, nuclear fusion or radioactive contamination;
 - (6) Loss or damage caused by strikers, locked – out workmen or persons taking part in labor disturbances;
 - (7) Confiscation or nationalization or requisition or destruction by or under the order of any government or public or local authority or any person or body having jurisdiction in the matter, or

- (8) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, riots or civil commotions.

GENERAL CONDITIONS

1. Notice of Sickness or Injury and Notice of Loss:

In the event of any occurrence which could give rise to a claim under this policy the Insured shall immediately at his own expense employ a qualified Veterinary Surgeon, to give proper care and to use every possible means to save the life of the animal and the Insured shall immediately give notice to the Company (who will instruct a veterinary surgeon to examine the animal if deemed necessary) and any failure by the Insured to do so shall render the Insured's claim null and void and release the Company from all liability in connection therewith, whether the Insured has personal knowledge of such events or such knowledge is confined to the representatives of the Insured or other persons who have care, custody and control of the animal(s).

When required by the Company or its authorized representative, the Insured shall immediately at his own expense cause a post – mortem examination to be made by a Veterinary Surgeon named by the Company. In the event of the death of any animal insured hereunder, the Insured shall at once give notice by telephone or telegram to representatives of the Company as aforesaid and shall also file with the Company or its said representatives within sixty (60) days from the date of loss a detailed sworn proof of loss. The Insured shall not dispose of the carcass without obtaining prior consent from the Company and having an inspection and examination by a qualified Veterinary Surgeon, who shall issue to the Company, at the Insured's expense, a certificate of death which shall certify as to the results of his examination, including a post – mortem examination report.

Failure by the Insured to report the said loss and to file such sworn proof of such loss as hereinbefore provided shall invalidate any claim under this policy for such loss.

2. Sole Owner Requirements:

At the commencement of this insurance the Insured must be the sole owner of each animal hereby insured. This policy shall cease to cover an animal immediately when the Insured sells it or parts with any interest in it whatsoever, whether temporarily or permanently.

3. Claiming Race Clause (as respects horses only):

In the event of any horse insured hereunder being entered or raced in any Claiming, Selling or Combination Race at any time during the currency of this policy, where the Claiming, Selling or Combination prices shall be less than the amount of insurance affected on the said horse, the amount of insurance applying to such horse under this policy shall automatically be reduced to the sum for which the said horse could have been claimed or sold in any such race. In such event however, the Insured upon demand within sixty (60) days thereafter shall be entitled to a pro rata return of premium on the amount by which the sum insured in respect to the said horse shall have been reduced.

4. Ninety Day Extension Clause:

Provided this is an annual policy, the Company agrees to extend its liability on the animal(s) described in the Schedule as per terms and conditions hereof to cover death occurring within ninety (90) days after the expiration of this policy as a result of any accident or physical disability occurring during the period of this policy.

It shall be a prior requirement to the extended liability as stated above that, during the period of the policy, the Insured has given notice to the Company of the condition which is claimed to have caused death during the extended period.

5. Misrepresentation and Fraud:

This policy shall be void if the Insured has intentionally concealed or misrepresented any material fact or circumstances concerning this insurance or the subject thereof or in case of any fraud, attempted fraud or false swearing by the Insured touching any matter relating to this insurance or the subject thereof.

6. Examination Under Oath:

The Insured shall submit, and so far as is within his or their power shall cause all persons interested in the animals and members of the household and employees to submit, to examination under oath by any persons named by the Company relative to any and all matters in connection with a claim or subscribe the same, and shall produce for examination all books of account, bills, invoices and other vouchers or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representatives, and shall permit extracts and copies thereof to be made. Failure by the Insured to comply with the conditions of this section will void all claims for the loss or losses in connection with which such examination is required.

7. Suit Against the Company:

No suit, action or proceeding for the recovery of any claim under this policy shall be sustainable in any court of law or equity unless the same be commenced within twelve (12) months next after discovery by the Insured of the occurrence which gives rise to the claim. Provided, however, that if by the laws of the State within which this policy is issued such limitation is invalid, then any such claims shall be void unless such action, suit or proceeding be commenced within the shortest limit of time permitted by the laws of such State to be fixed herein.

8. Salvage Clause:

In the event this Company shall consent to the sale or slaughter for food or other purposes of any animal or animals insured hereunder the Company shall be entitled to a credit on the amount due under this policy for any sum received from such sale or slaughter. Except where salvage rights are exercised, the Company shall not be responsible for removal or disposal of the remains of any animal or for any expense thereof.

9. Bailee Clause:

This insurance shall not inure directly or indirectly to the benefit of any carrier, bailee or other party by stipulation in bill of lading or by assignment or otherwise, and any breach of this condition shall render this policy null and void.

10. Other Insurance:

If at the time of the death of an animal, the Insured has any other insurance in force in respect of the animal, whether or not such insurance is valid or collectible, the Company shall be released from all liability in connection with such animal unless the agreement of the Company to such other insurance is endorsed on this policy.

If the agreement of the Company to such other insurance is endorsed on the policy, then this Company shall not be liable for a greater proportion of any loss than the amount insured hereon bears to the total insurance in effect at the time of loss whether or not such other insurance is valid or collectible.

11. Subrogation Clause:

In the event of any payment under this policy the Company shall be subrogated to all the Insured's rights of recovery thereof against any person or organization and the Company shall be entitled at its own expense to sue in the name of the Insured and the Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after loss to prejudice such rights.

12. Assignment:

This policy shall be void if assigned or transferred without the written consent of the Company.

13. Cancellation:

- (a) This policy may be cancelled by the Insured by mailing to the Company written notice stating when thereafter such cancellation shall be effective.
- (b) This policy may be cancelled by the Company by mailing to the Insured at the address shown in this policy or last known address written notice stating when not less than five (5) days thereafter such cancellation shall be effective.
- (c) The mailing of notice as aforesaid shall be sufficient proof of notice and the effective date of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the Insured or by the Company shall be equivalent to mailing.
- (d) If the Insured or the Company cancels, earned premiums shall be computed pro rata. Premium adjustments may be made at the time cancellation is effected and if not then made, shall be made as soon as practicable after cancellation becomes effective. The Company's check or the check of its representative mailed or delivered as aforesaid shall be sufficient tender of any refund of premium due to the Insured.

In the event of cancellation by either the Insured or the Company, the earned premium however computed, shall not be less than the minimum premium specified in the policy. If loss is paid on an animal, the premium applicable to such animal shall be fully earned for all purposes.

THIS POLICY IS MADE AND ACCEPTED SUBJECT TO THE FOREGOING STIPULATIONS AND CONDITIONS, WHICH ARE HEREBY SPECIALLY REFERRED TO AND MADE PART OF THIS POLICY, together with such other provision, agreements or conditions as may be endorsed hereon or added hereto, and no officer or other representative of this Company shall have power to change or be deemed to have waived any provisions or conditions of this policy unless such change or waiver shall be written upon or attached hereto, nor shall any privilege or permission affecting the insurance under this policy exist or be claimed by the Insured unless so written or attached.

IN WITNESS WHEREOF, this Company has caused this policy to be signed by its President and Secretary and countersigned by its authorized representative.

PLEASE NOTE

Immediate notice of any occurrence which could result in a claim involving any animal insured under this policy must be given by you, your representative, or other persons who have care, custody and control of such animal.

Notice is to be given to Great American Insurance - equine operations call 24 hours 1-800-331-0211. Please advise policy number, name of insured, and animal involved, also include a telephone number to contact where the animal is located.

General condition 6 of the policy stipulates the requirements for treatment of sickness or injury to an insured animal. These stipulations must be adhered to immediately when the condition or injury is observed or known.

It is essential to conform to all the above requirements since failure to do so will invalidate any claim under this policy.