

**EQUINE AGREED VALUE EXTENSION ENDORSEMENT**  
(For attachment to L.E. Mortality Forms)

**GLOSSARY** (in the context of this Endorsement):

AGREED VALUE means the limit of the Underwriters' liability specified in the Schedule of the HORSE provided that the Underwriters have:

1. accepted in writing a written valuation of the HORSE; or
2. accepted in writing a valuation of the HORSE without the requirement of a written valuation; or
3. accepted in writing the purchase price of the HORSE bought in a public auction as the value of the HORSE in lieu of a written valuation.

Subject to all the terms, conditions and exclusions of the Insurance to which this Endorsement is attached and further subject to the Additional Condition Precedent contained in this Endorsement, and in consideration of an additional premium that may be charged, the FAIR MARKET VALUE of the HORSE shall be deemed to be the AGREED VALUE.

However, in the event that at any time during the period of the Insurance to which this Endorsement is attached the HORSE is:

- a) entered or raced in any CLAIMING RACE in which the INSURED's interest in the HORSE as specified in the Schedule could have been claimed or sold at a price that is less than the Underwriters' limit of liability specified in the Schedule, then the Underwriters' limit of liability shall automatically be reduced to the lowest amount for which the INSURED's interest in the HORSE as specified in the Schedule could have been claimed or sold in such race; or
- b) entered but not sold in a public auction then this Endorsement shall automatically cease to apply to such HORSE immediately upon the HORSE leaving the sale ring and if a covered loss of the HORSE occurs, the Underwriters will indemnify the INSURED in respect of the FAIR MARKET VALUE of the INSURED's interest in the HORSE as specified in the Schedule as of the time of the theft, or as of the time of the accident, injury, illness or disease causing its death or HUMANE DESTRUCTION, up to but not exceeding the Underwriters' limit of liability specified in the Schedule; or
- c) sold in a public auction but the sale is subsequently rescinded or nullified, this Endorsement shall automatically cease to apply to such HORSE immediately upon the fall of hammer resulting in that sale and if a covered loss of the HORSE occurs, the Underwriters will indemnify the INSURED in respect of the FAIR MARKET VALUE of the INSURED's interest in the HORSE as specified in the Schedule as of the time of the theft, or as of the time of the accident, injury, illness or disease causing its death or HUMANE DESTRUCTION, up to but not exceeding the Underwriters' limit of liability specified in the Schedule; or
- d) appraised
  - (i) on behalf of the INSURED and/or a financial lender and the appraised value for the INSURED's interest in the HORSE as specified in the Schedule is less than the Underwriters' limit of liability specified in the Schedule, then from the date(s) of

the appraisal(s) the Underwriters' limit of liability shall automatically be reduced to the lowest amount at which the INSURED's ownership interest in the HORSE as specified in the Schedule was so appraised; or

- (ii) by or on behalf of the Underwriters and the appraised value for the INSURED's interest in the HORSE as specified in the Schedule is less than the Underwriters' limit of liability specified in the Schedule, then from the date written notice of the result of the appraisal by or on behalf of Underwriters is sent to the INSURED's last known address, the Underwriters' limit of liability shall automatically be reduced to the lowest amount at which the INSURED's interest in the HORSE as specified in the Schedule was so appraised.

In the event of a), b) or d) above, the INSURED shall be entitled to a return of premium based on the amount by which the Underwriters' limit of liability has been reduced, calculated on a pro rata basis from the date the INSURED gives notice of such event by telephone or teletype to the Underwriters, via the person or person specified in the Schedule for the purpose of notification. In the event of c) above, the INSURED shall be entitled to a return of premium representing the difference between the premium amount the Underwriters charged for the HORSE being insured at the AGREED VALUE and the premium the Underwriters would have charged for the HORSE being insured in the amount that the Underwriters settle a claim for the loss of the HORSE, calculated on a pro rata basis from the date the INSURED gives notice of such event by telephone or teletype to the Underwriters, via the person or persons specified in the Schedule for the purpose of notification.

#### **ADDITIONAL CONDITION PRECEDENT**

It is a condition precedent to any liability of the Underwriters under this Endorsement that, in respect of the HORSE to which this Endorsement applies, in the event:

- i) of any change in the circumstances which were the basis of a valuation or purchase price accepted by the Underwriters, including but not limited to such circumstances ceasing to exist; or
- ii) of any change in the use of a HORSE where such changed use is not stated in the Schedule in respect of such HORSE; or
- iii) that a Mare stated in the Schedule, for which limit of the Underwriters' liability is based on the Mare being "in foal", ceases to be "in foal";

the INSURED shall immediately give notice of those circumstances or events by telephone or teletype to the Underwriters, via the person or persons specified in the Schedule for the purpose of notification.

Any breach of this Additional Condition Precedent, 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 this Endorsement null and void with respect to such HORSE and the Underwriters' indemnity shall be the FAIR MARKET VALUE of the INSURED's interest in the HORSE as specified in the Schedule at the time of the theft, or the accident, injury, illness or disease causing its death or HUMANE DESTRUCTION, up to but not exceeding the Underwriters' limits of liability specified in the Schedule. Words and terms appearing in all capital letters (other than headings) are defined in the GLOSSARY above and/or in the L.E. Equine Insurance Form, of which this Endorsement is part.