



# Allianz Global Corporate & Specialty<sup>®</sup>

Marine Insurance Policy



**Allianz** 

## Inland Marine & Property Claims Reporting

Our highly skilled Marine Claims professionals are committed to providing our valued clients with the best service possible and they will respond quickly to any claim situation that you may have.

You can notify us of a new claim via any of the following reporting options:

Telephone: **800.558.1606**  
**Outside of the US: 314.513.1353**

Email: [FNOLMarine@agcs.allianz.com](mailto:FNOLMarine@agcs.allianz.com)

Fax: **1-888-323-6450**  
**Outside of the US: 314-513-1345**

Mailing Address: **FNOL Marine Claims Unit**  
**AGCS Marine Insurance Company**  
**One Progress Point Parkway**  
**O'Fallon, MO 63368**

If possible, please include the following information in your claim notice or have it available for our customer service representative:

**Contact information**

**Policy #**

**Date of loss**

**Description of loss**



Allianz Global Corporate & Specialty®

**POLICY NUMBER**  
MZI93027614

Transaction Type  
Renewal

Coverage for policies other than  
**WORKERS' COMPENSATION** is  
provided in the following company  
54 - AGCS MARINE  
INSURANCE COMPANY

**MANDATORY PREMIUM TRANSACTION FORM**

**Named Insured and Mailing Address**

**NATIONAL HORSEMEN'S BPA**  
**870 CORPORATE DRIVE, SUITE 300**  
**LEXINGTON, KY 40503**

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**Change Effective Date: 01/01/2011**

Policy Period Inception Date: 01/01/2011  
Expiration Date: 01/01/2012

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**PREMIUM SUMMARY:**

**Premium**      **\$ 53500**

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**Producer: MAROEVICH, O'SHEA & COGHLAN, I**  
**44 MONTGOMERY ST 17TH FLR**  
**SAN FRANCISCO, CA 94104**

**Transaction Date 01/13/2011**

THIS IS NOT A BILL

**Mandatory Premium Transaction Form 01 05**



Allianz Global Corporate & Specialty®

**INLAND MARINE - GENERAL DECLARATIONS**

The Company issuing this policy is indicated by the Company Code (first letter or number) in the POLICY NUMBER, as follows:  
**A STOCK COMPANY**

**Policy Number**  
MZI93027614

**Renewal of Policy Number/Previous Policy Number**  
MZI93012638

**054 - AGCS Marine Insurance Company**

**AGCS Marine Insurance Company**  
**33 West Monroe Street**  
**Chicago, IL 60603**

Producer Code:  
**S-00091046**  
Producer or Agent Name  
**MAROEVICH, O'SHEA & COGHLAN, I**  
Address:  
**44 MONTGOMERY ST 17TH FLR**  
**SAN FRANCISCO, CA 94104**

**Named Insured:** NATIONAL HORSEMEN'S BENEVOLENT & PROTECTIVE ASSOCIATION, INC.

**Mailing Address:** 870 CORPORATE DRIVE, SUITE 300  
LEXINGTON, KY 40503

**Policy Period:** From: 01/01/2011 To: 01/01/2012 at 12:01 A.M. Standard Time at your mailing address shown above.

The Named Insured is a(n) CORPORATION  
Business or Operations of the Named Insured: NON-PROFIT ORGANIZATION

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In return for payment of the premium and subject to all the terms of this policy, we agree with you to provide the insurance as stated in the policy.

**INLAND MARINE COVERAGES:**

**COVERAGE FORMS AND CORRESPONDING ENDORSEMENTS ATTACHED AT INCEPTION:**  
IL 00 17 11 98, IL 02 63 09 08, IM 1000DEC 01 10, ENDORSEMENT 001, ENDORSEMENT 002, ENDORSEMENT 003, KY 8604 01 10, NIM 1050 01 10

**PREMIUM SUMMARY:**  
Estimated Annual Premium \$ 53,500 (Includes Surcharges)  
Premium Due at Inception \$ Per Direct Bill Installment Plan

The premium may be subject to adjustment.  
 Terrorism Risk Insurance Act - Certified Acts Coverage - Covered \$  
 Terrorism Risk Insurance Act - Certified Acts Coverage - Not Covered \$ 0  
Kentucky State Surcharge: \$963  
Municipality Surcharge:  
\$2,675

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



\_\_\_\_\_  
Secretary



\_\_\_\_\_  
President

Countersignature of Authorized Agent: \_\_\_\_\_

Producer: **MAROEVICH, O'SHEA & COGHLAN, I**  
**44 MONTGOMERY ST 17TH FLR**  
**SAN FRANCISCO, CA 94104**

Date 01/13/2011 sp



## Allianz Global Corporate & Specialty®

This endorsement changes the policy

**PLEASE READ THIS CAREFULLY**

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### **AMENDATORY ENDORSEMENT KENTUCKY**

Under Exclusions, Dishonest or criminal act, if applicable, is amended to include the following:

However, if the loss arose out of a pattern of domestic abuse, committed by or at the direction of an insured, this exclusion will not apply to an otherwise covered loss suffered by another insured who did not cooperate with or contribute to the act that caused the loss. The insured that caused the loss must be criminally prosecuted for the act causing the loss. The innocent insured must cooperate in the prosecution.

Subject to all other terms of this policy, our payment to an insured who did not cooperate in or contribute to the act that caused the loss may be limited to that person's insurable interest in the property, less any payment made to a mortgagee or other party with a legal secured interest in the property. We retain all rights set forth in the Transfer of Rights Against Others to Us condition of this policy with regard to action against the perpetrator of the act that caused the loss.

# Commercial Inland Marine Conditions

Policy Amendment(s) Commercial Inland Marine

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

## Loss Conditions

### A. Abandonment

There can be no abandonment of any property to us.

### B. Appraisal

If you and we fail to agree on the amount of loss, either one can ask that the amount of loss be established by appraisal. To start the appraisal process either you or we must make the request in writing to the other. Each must then choose a competent, independent appraiser and give the name and address of that appraiser to the other. This must be done within 30 days after the written request for appraisal is received.

The two appraisers must then choose a competent and impartial umpire. If they do not agree on an umpire within 15 days, either you or we may have an umpire selected by a court located in the same state as the covered property. The appraisers will then set the amount of the loss. A copy of their report will be given to you and to us. The amount they agree upon will be the amount of loss.

If the appraisers fail to agree within a reasonable period of time, they will give the umpire a statement of their differences. A written agreement signed by any two of the three will set the amount of the loss. You will pay your appraiser and we will pay ours. The umpire's fee and other appraisal expenses will be shared equally by you and us.

If we submit to an appraisal, we will still retain our right to deny the claim.

### C. Duties in the Event of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.

2. Give us prompt notice of the loss or damage. Include a description of the property involved. You must also file with us or our agent, a detailed sworn proof of loss within ninety (90) days following the loss or damage. We will supply you with the necessary forms.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also if feasible, set the damaged property aside and in the best possible order for examination. If you move the covered property to a safe place, that property will continue to be covered and we will reimburse you for the reasonable expenses for doing so. You must tell us as soon as practical that you have moved the covered property to a safe place.
5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

8. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
9. Cooperate with us in the investigation or settlement of the claim.

**D. Insurance Under Two or More Coverages**

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

**E. Loss Payment**

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property.

We will not pay the owners more than their financial interest in the Covered Property.

4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense. The expenses we incur will not reduce the applicable limit for coverage described under Property Covered.
5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:
  - a. We have reached agreement with you on the amount of the loss; or
  - b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.
7. If we recover any part of a loss from another party, after we deduct the expenses of making the recovery we will share the recovery with you. Your share will be the

proportion that your share of the loss bears to the total amount of the loss.

8. We will pay for the removal of covered property damaged from a covered cause of loss up to the lesser of 10% of the limit of insurance or \$50,000. This is in addition to the limit of insurance.

**F. Other Insurance**

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

**G. Pair, Sets or Parts**

1. Pair or Set

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

2. Parts

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

**H. Labeled Goods**

If covered property bearing labels, packaging or wrappers is lost or damaged, we will pay you an amount sufficient to replace those labels, packaging or wrappers.

**I. Loss Payee**

If a loss payee is named in the Declarations, we will pay you and the loss payee, as the interest of each may appear.

**J. Recovered Property**

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

**K. Reinstatement of Limit After Loss**

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

**L. Transfer of Rights of Recovery Against Others to Us**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. If that person or organization does anything to impair our rights after a loss, we will not have to pay the loss. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if; at time of loss, that party is one of the following:
  - a. Someone insured by this insurance; or
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you.

This will not restrict your insurance.

**General Conditions**

**A. Concealment, Misrepresentation or Fraud**

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

**B. Control of Property**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance. The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

**C. Legal Action Against Us**

1. No one may bring us a legal action against us under this Coverage Part unless:
  - a. There has been full compliance with all the terms of this Coverage Part; and
  - b. The action is brought within 2 years after you first have knowledge of the direct loss or damage.
2. You agree not to sue us or involve us in another action proceeding after 2 years have past since you discovered the loss or damage giving rise to such action. If the state law applicable to this coverage requires a different time period within which suit may be brought, this provision is amended to conform to such law.

**D. No Benefit to Bailee**

No person or organization, other than you, having custody of Covered Property, will benefit from this insurance.

**E. Policy Period, Coverage Territory**

We cover loss or damage commencing:

1. During the policy period shown in the General Declarations and the policy period begins and ends at 12:01 a.m., Standard Time, at your address shown in the General Declarations. But if this policy replaces a policy which expires at noon Standard Time on the effective date of this policy, then this policy will not be effective until the policy being replaced expires. In those states which require policy periods to begin and end at noon Standard Time, this policy will begin and end at noon Standard Time. And,
2. Within the coverage territory.

**F. Valuation**

The value of property will be the least of the following amounts:

1. The actual cash value of that property;
2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or

3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

**G. Your Name and Address**

Your name and address as the Named Insured shall be as specified in the General Declarations.

**H. The Declarations**

The Declarations shows you which coverages you have purchased and the limits of insurance that apply. You have only those coverages and amounts of insurance. If this coverage applies only at specified locations, they are shown in the Declarations.

By accepting this policy, you agree that:

- a. The statements in the Declarations are your agreements and representations.
- b. That this policy is issued in reliance on the truth of such representations.

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time

during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except

in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your

legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **KENTUCKY CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
 COMMERCIAL AUTOMOBILE COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 CRIME AND FIDELITY COVERAGE PART  
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
 EQUIPMENT BREAKDOWN COVERAGE PART  
 FARM COVERAGE PART  
 FARM UMBRELLA LIABILITY POLICY  
 LIQUOR LIABILITY COVERAGE PART  
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
 POLLUTION LIABILITY COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A.** Paragraph **2.** of the **Cancellation** Common Policy Condition is replaced by the following:
- 2. Cancellation Of Policies In Effect For 60 Days Or Less**
- If this policy has been in effect for 60 days or less, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, stating the reason for cancellation, at least 14 days before the effective date of cancellation.
- B.** The following is added to the **Cancellation** Common Policy Condition:
- 7. Cancellation Of Policies In Effect For More Than 60 Days**
- a.** If this policy has been in effect for more than 60 days or is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:
- (1)** Nonpayment of premium;
  - (2)** Discovery of fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
  - (3)** Discovery of willful or reckless acts or omissions on your part which increase any hazard insured against;
  - (4)** The occurrence of a change in the risk which substantially increases any hazard insured against after insurance coverage has been issued or renewed;
  - (5)** A violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any insured property or the occupancy thereof which substantially increases any hazard insured against;
  - (6)** We are unable to reinsure the risk covered by the policy; or
  - (7)** A determination by the commissioner that the continuation of the policy would place us in violation of the Kentucky insurance code or regulations of the commissioner.

b. If we cancel this policy based on Paragraph 7.a. above, we will mail or deliver a written notice of cancellation to the first Named Insured, stating the reason for cancellation, at least:

- (1) 14 days before the effective date of the cancellation, if cancellation is for nonpayment of premium; or
- (2) 75 days before the effective date of the cancellation, if cancellation is for any reason stated in 7.a.(2) through 7.a.(7) above.

C. The following is added and supersedes any provision to the contrary:

**NONRENEWAL**

1. For the purpose of this Condition:

- a. Any policy period or term of less than six months shall be considered to be a policy period or term of six months; and
- b. Any policy period or term of more than one year or any policy with no fixed expiration date shall be considered a policy period or term of one year.

2. If we elect not to renew this policy, we will mail or deliver written notice of nonrenewal, stating the reason for nonrenewal, to the first Named Insured shown in the Declarations, at the last mailing address known to us, at least 75 days before the expiration date of the policy period.

3. If notice of nonrenewal is not provided pursuant to this Condition, coverage under the same terms and conditions shall be deemed to be renewed for the ensuing policy period upon payment of the appropriate premium until you have accepted replacement coverage with another insurer, or until you have agreed to the nonrenewal.

4. If we mail or deliver a renewal notice to the first Named Insured at least 30 days before the end of the policy period, stating the renewal premium and its due date, the policy will terminate without further notice unless the renewal premium is received by us or our authorized agent by the due date.

5. If this policy terminates because the renewal premium has not been received by the due date, we will, within 15 days, mail or deliver to the first Named Insured at his last known address a notice that the policy was not renewed and the date it was terminated.

6. If notice is mailed, proof of mailing is sufficient proof of notice.

# ENDORSEMENT 005

## COVERED LOCATIONS

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Insured	NATIONAL HORSEMEN'S BENEVOLENT & PROTECTIVE ASSOCIATION, INC.	Policy Number	MZI93027614
Producer	MAROEVICH, O'SHEA & COGLAN, I	Effective Date	01/01/2011

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### COVERED LOCATIONS UNDER THE FIRE AND DISASTER POLICY

#### Covered Locations:

State Affiliate	Race Track
Arizona	Yavapai Downs (Prescott) Turf Paradise
Arkansas	Oaklawn Jockey Club
Colorado	Arapahoe Park
Florida	Gulfstream Park Tampa Bay Downs
Idaho	Les Bois Park
Illinois	Fairmount Park Racetrack
Indiana	Hoosier Park Racing & Casino Indiana Downs
Iowa	Prairie Meadows Racetrack & Casino
Kentucky	Churchill Downs Ellis Park Keeneland Kentucky Downs Turfway Park
Louisiana	Delta Down Racetrack & Casino Evangeline Downs Racetrack & Casino Fair Grounds Race Course & Slots Harrah's Louisiana Downs Casino & Racetrack
Michigan	Pinnacle Race Course
Minnesota	Canterbury Park
Montana	Metra Park Great Falls Northwest Montana Fair
Nebraska	Columbus Races Fonner Park Horseman's Atokad Downs Horseman's Park Lincoln Race Course
New England	Suffolk Downs
New York	Finger Lakes Gaming & Racetrack
Ohio	Beulah Park River Downs Thistledown

Oklahoma	Remington Park Fair Meadows Will Rogers Downs
Oregon	Portland Meadows
Pennsylvania	Hollywood Casino at Penn National Race Course
Texas	Lone Star Park Manor Downs Sam Houston
Virginia	Colonial Downs
Washington	Emerald Downs
West Virginia	Mountaineer Casino, Racetrack & Resort Hollywood Casino at Charles Town

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COVERED LOCATIONS UNDER THE FIRE AND DISASTER POLICY

State Affiliate	Race Track
Indiana	Glenwood Training Center
Kentucky	The Thoroughbred Center
Louisiana	Benton Training Center
Nebraska	Phil Storms Farm Herb Riecken Thoroughbred Farm Julie Larmon / Fantasy Farms Marvin A. Johnson Farm
Oklahoma	Redearth Training Center Mighty Acres H & S Farms Burns Farms
Washington	Dunn Bar Ranch Carnation Racing Stables Donida Farm Training Center Heritage Farm TB Training Center Homestretch Farm McCanna Training Center Orting Training Center Paulson Bros. Thoroughbred Ranch
West Virginia	Jim & Betsy Harrells Training Center

## ENDORSEMENT 002

National Horsemen's Benevolent & Protective Association, Inc. Livestock Policy Coverage Form

Insured	NATIONAL HORSEMEN'S BENEVOLENT & PROTECTIVE ASSOCIATION, INC.	Policy Number	MZI93027614
Producer	MAROEVICH, O'SHEA & COGHLAN, I	Effective Date	01/01/2011

National Horsemen's Benevolent & Protective Association, Inc. Livestock Policy

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance. Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

In return for your payment of the premium shown in the Declarations which are part of this policy, we provide the coverage described herein subject to all the conditions of this policy. This coverage is also subject to the additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records. Endorsements and schedules may also apply as identified in the Declarations or schedule of coverages.

### A. Coverage

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

#### 1. Covered Property

a. We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

b. Covered Property means Horses and Tack at Covered Locations or while in direct transit between Covered Locations.

#### 2. Property Not Covered

Covered Property does not include loss or damage to:

- Aircraft, watercraft, vehicles designed for highway use.
- Accounts, bills currency, money, notes, securities.
- Data processing equipment and media.
- All other property not defined as Covered Property.

#### 3. Covered Causes of Loss

Covered Causes of Loss means loss or damage caused by or resulting from:

- Fire;
- Lightning;
- Windstorm;
- Cyclone;
- Tornado;

- f. Hail;
- g. Explosion;
- h. Riot;
- i. Riot attending a strike;
- j. Civil commotion;
- k. Aircraft and objects falling therefrom;
- l. Smoke;
- m. Flood;
- n. Collapse of bridges or culverts
- o. Collision or derailment or overturn of a vehicle on which the Covered Property is being transported;
- p. Stranding;
- q. Sinking;
- r. Burning or collision of vessels including general average and salvage charges;
- s. Incurred proven theft;
- t. Death of a horse as a result of electrocution;
- u. Death of a horse as a result of a collision of a horse and motor vehicle.

#### 4. Causes of Loss Not Covered

a. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

##### (1) Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this coverage form.

##### (2) Nuclear Hazard

(a) Any weapon employing atomic fission or fusion; or

(b) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this coverage form.

##### (3) War And Military Action

(a) War, including undeclared or civil war;

(b) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(c) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

(4) Fungi, Wet Rot And Dry Rot

Presence, growth, proliferation, spread or any activity of "fungi", or wet or dry rot. But if "fungi", or wet or dry rot results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

(a) When "fungi", or wet or dry rot results from fire or lightning; or

(b) To the extent that coverage is provided in the Additional Coverage Limited Coverage For "Fungi", Wet Rot And Dry Rot with respect to loss or damage by a cause of loss other than fire or lightning.

(5) Virus, Bacterium Or Other Microorganism

Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in the previous exclusion.

The terms of this exclusion, or the inapplicability of this exclusion to a particular loss, does not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part.

This exclusion applies to all coverage under all forms and endorsements that comprise this Coverage Part, including but not limited to forms or endorsements that cover business income, extra expense or action of civil authority.

Exclusions 4.a.(1) through 4.a.(5) apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Malicious or willful injury or intentional acts or omissions by you, your family, representatives, agents, employees, bailees or other persons who have care, custody, or control of the horse; or

b. Failure by you, your family, representatives, agents, employees, bailees or other persons who have care, custody, or control of the horse to provide proper care and attention to the horse; or

c. Escape and/or mysterious disappearance; or

d. 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

e. Theft or mysterious disappearance of horse tack and/or equipment.

5. Additional Coverages

a. Debris Removal Coverage

(1) We will pay your reasonable expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of the direct physical loss or damage.

(2) The most we will pay under this Additional Coverage is the lesser of 25% of:

(a) The amount we pay for the direct physical loss or damage to Covered Property; plus the deductible in this policy applicable to that loss or damage; or

(b) The applicable Limit of Insurance for Covered Property.

But this limitation does not apply to any additional debris removal limit provided in the

Limits of Insurance Section.

(c) This Additional Coverage does not apply to costs to:

(ii.) Extract "pollutants" from land or water; or

(iii.) Remove, restore or replace polluted land or water.

#### C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations subject to the Per Occurrence and Annual Aggregate Limits of Insurance.

#### D. Deductible

Claim for loss or damage to each item insured shall be adjusted separately, and from the total of all such ad-justed claims, or amount of insurance upon each item, whichever is the lesser, the deductible amount speci-fied in the Declarations shall be deducted.

a. The total amount to be deducted from the sum of all adjusted claims for loss or damage arising out of once occurrence shall not exceed the aggregated deductible amount specified in the Declarations.

b. Loss(es) to any one member of the National Horsemen s Benevolent & Protective Association, Inc. in any one occurrence as described herein of less than \$1,000 are excluded.

#### E. Valuation

1. The Valuation General Condition in the Commercial Inland Marine Conditions is replaced by the following:

##### a. Fair Market Value

Covered Property will be valued at the price at which ownership of the Covered Property would change between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts.

#### F. Additional Conditions

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Pol-icy Conditions:

##### a. Coverage Territory

(1) We cover property wherever located within:

(a) The United States of America;

(b) The District of Columbia;

(c) Puerto Rico; and

(d) Canada.

#### F. Definitions

1. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.

2. "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

3. Horses means 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 horses.

4. Tack means any racing material, items or supplies used directly on the covered horses.

# ENDORSEMENT 003

## Limits & Deductibles

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Insured	NATIONAL HORSEMEN'S BENEVOLENT & PROTECTIVE ASSOCIATION, INC.	Policy Number	MZI93027614
Producer	MAROEVICH, O'SHEA & COGHLAN, I	Effective Date	01/01/2011

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### Limits of Insurance

#### Limit of Insurance Description

- \$ 1,000 Per horse on any stable pony;
- \$25,000 Any one horse except those which are unraced horses in training not less than two years old at the time of loss;
- \$25,000 Any unraced horse not in training not less than two years old at the time of loss if sired by a stallion horse whose stud fee was more than \$2,500 at the time of conception;
- \$25,000 Any unraced horse in training not less than two years old at the time of loss;
- \$500 On tack per insured racehorse or stable pony not exceeding \$5,000 any one member any one occurrence;

#### Subject to:

- \$ 300,000 Per Occurrence
- \$1,500,000 Annual Aggregate

### Deductibles

#### Deductible Description

- \$ 1,000 Per horse on any stable pony, not to exceed
- \$ 1,000 To any one member of the National Horsemen's Benevolent & Protective Association, Inc. in any one occurrence
- \$25,000 Per occurrence
- \$50,000 In any one loss or combination thereof