



## MAGIC MILLIONS INSURANCE BROKERS PTY LIMITED

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### GUIDANCE NOTES - BLOODSTOCK INSURANCE All Risks of Mortality Cover including Wind Extension

#### SOME KEY POINTS

- Your horse is insured against death from natural causes, as well as destruction on humane grounds if certified by a qualified veterinary surgeon as being justified in order to relieve incurable suffering. Theft coverage is also included.
- Should your horse be sold at public auction during the period of insurance it is also insured against being returnable in accordance with the Conditions of Sale that apply in respect of wind abnormalities. The insurers are liable to pay 75% of the sum insured, or 75% of the fall of hammer price if that is less, in respect of wind claims. In the event of payment insurers are entitled to take undisputed ownership of the horse concerned with all documentation relating to it.
- The policy does **NOT** give you loss of use cover. You are **NOT** covered if your horse is rendered incapable of carrying out the use for which it is insured, unless of course it dies or is destroyed on humane grounds.
- At inception of cover your horse must be confirmed in sound health with this being documented by either a veterinary certificate or a declaration of health, whichever is requested. Pre-existing conditions that are potentially life threatening will be excluded from cover.

However, at renewal of an annual policy, provided the condition has been notified to insurers, losses arising from it will be insured for a further period of 365 days. Your annual policy has been endorsed to include the Twelve Months Extension clause (as shown in your Certificate of Insurance).

If your policy covers a period of less than twelve months an extension period of 30 days applies. Your policy in such circumstances has been endorsed to include the Extension Clause for Short Term policies (as shown in your Certificate of Insurance).

- Except as provided for in the applicable extension clauses, once a policy has expired there is no further coverage for any potentially life threatening conditions.
- The indemnity given by the policy is the sum insured (expressed as the limit of liability in your policy) or the fair market value of the horse at the date of loss if that is less. It is **NOT** an agreed value policy and the onus rests on you to justify the horse's value in the event of a claim if required by insurers.
- If your policy is an "Agreed Value" policy the sum insured (or limit of liability) under your policy is an agreed value, but you have a responsibility to ensure that the sum insured reflects fair market value. There are certain circumstances in which the sum insured will be automatically reduced by insurers which are fully detailed in the Agreed Value Clause attaching to the policy.
- If your policy is subject to an excess then the payment of the sum insured or limit of liability in the event of a claim will be reduced by the amount of the excess. This may be expressed as a percentage of the sum insured or limit of liability.
- If your policy is subject to a deductible then the insurers will only pay for the amount of loss or losses which exceeds the deductible. The deductible may be expressed as a percentage of the

overall sum insured or limit of liability and will vary depending on the total amount insured. The deductible may be an annual deductible for all losses occurring during the period of insurance.

#### **FACTORS WHICH AFFECT YOUR PREMIUMS**

Factors which affect the level of your premiums include the sum insured or limit of liability you select, your share in the horse(s), the use and location of the horse(s), the age and health of your horse(s), your insurance and claims history and the period you require for the policy. Generally speaking premiums for periods of cover of less than one year are greater than pro rata - the short term premium scale is shown in your policy document. Stable discounts are offered for policies covering more than one horse depending on the overall values insured.

#### **THE POLICY WILL NOT PAY**

- For any veterinary fees incurred by you in treating your horse, or post mortem expenses in the event of its death.
- For any liability arising from damage or injury caused by your horse.
- If you have your horse destroyed on economic grounds.
- For losses due to terrorism.
- For losses arising directly or indirectly from Avian Influenza

#### **YOUR RESPONSIBILITIES**

**In order to make sure that your policy will respond in the event of a claim it is very important that YOU SHOULD NOTIFY US if:-**

- It becomes apparent that the sum insured or limit of liability exceeds your horse's fair market value (for example if the highest bid at an auction for your horse falls short of the reserve and your policy sum insured or limit of liability). You should then instruct us to make the requisite adjustment to the sum insured under the policy.

Alternatively you should inform us if you feel the sum insured justifies an increase.

- The use of your horse described under the policy changes.
- Your horse is going to move outside the territorial limits shown on the policy.
- You dispose of any interest in your horse.
- Your horse suffers any illness, disease or injury. In such event you must arrange immediately to have it treated by a qualified veterinary surgeon.
- Your horse undergoes any surgical operation including castration within 14 days of such operation taking place.
- Your horse dies. You must then arrange for a full post mortem examination to be carried out.
- Your horse is stolen.

#### **FAILURE TO ACT IN ACCORDANCE WITH THE POLICY CONDITIONS MAY INVALIDATE YOUR POLICY**

**IMPORTANT - This summary is not a substitute for the Certificate of Insurance and Policy - it is important that you read the Certificate of Insurance and Policy. Nothing in these notes prevail over the terms, conditions and exclusions of the Policy**