

Section 7 – Stallion First Season 60% Infertility (Thoroughbreds Only)

In consideration of the premium paid by the Insured and based upon the statements contained in the written proposal submitted by the Insured and upon the Veterinary Certificate submitted to the Company by the Insured, the truth of such proposal being expressly warranted by the Insured, and this insurance being subscribed to by the Company in reliance upon the statements contained therein.

THE COMPANY hereby agrees, to the extent and in the manner hereinafter provided, and subject to the definitions, conditions and exclusions of this policy, to indemnify the Insured up to the sum of 100% of the value of the stallion (but not exceeding the sum insured) in the event of the insured stallion proving infertile in the Southern hemisphere breeding season as listed on the Schedule of Cover.

Definitions:

“Infertility” or “infertile” when used within this policy shall mean and be restricted to either:

- (a) The inability of the insured stallion to breed mares, or
- (b) Abnormality of his semen:

either of which results in the failure of the insured stallion to achieve a fertility percentage of **60%** or more during his first season at stud, such fertility percentage being calculated for mares bred, in the manner defined hereafter in this policy.

Infertility arising out of or contributed to by or associated with genital tract infections of the stallion is not infertility as defined in this policy.

“Barren” when used within this policy shall mean and be restricted to:

Mares which fail to produce a foal(s), either live or dead after August 1, in the previous year breeding season as listed on the Schedule of Cover, for any cause whatsoever. For a mare not to be defined as barren in the second preceding year, she must have produced a foal(s), either live or dead after August 1, in the second preceding year breeding season as listed on the Schedule of Cover, and before December 31, in the

second preceding year Southern Hemisphere breeding season as listed on the Schedule of Cover.

Maiden mares are excluded from the above definition.

“Maiden” when used within this policy shall mean and be restricted to mares which have never been bred or exposed to a stallion for breeding.

“Bred” when used within this policy shall mean and be restricted to:

The stallion being given full and sufficient opportunity to achieve intromission and to ejaculate into the mare when she is both in estrus and at or close to ovulation. Each such opportunity being subject to all the other conditions and exclusions of this policy and to be conducted under normal stud management.

“Breeding Season” when used within this policy shall mean and be restricted to the time period to commence not later than September 1, and not ending earlier than December 31, in the year as listed on the Schedule of Cover.

Additional Exclusions

This insurance does not cover losses arising out of or contributed to by or associated with:-

1. Any infection of the stallion’s reproductive tract, including surface infections of the penis or sheath.
2. Infection of a venereal or other character in the mares.
3. Mares not being presented to the stallion for breeding for any reason whatsoever.
4. Accidental external injury, death, sickness, disease or infection of the stallion.

Additional Conditions

1. It is a condition precedent to liability that at the inception of the policy:
 - (a) Neither the insured stallion nor a sample of his semen has, prior to inception, been subjected to any test or examination that could have indicated that the stallion is other than a normal breeding risk.
 - (b) Any and all test results or examination results, whether considered positive or negative, will be forwarded to the Company.
 - (c) The Insured, or his Agents, have no reason to suspect that the stallion is other than a normal breeding risk.

2. It is a condition precedent to liability that the total number of mares to be bred to the stallion will be no more than XX mares, (unless otherwise agreed to in writing by the Company and the Insured), or less than XX mares none of which minimum were either barren in both of the two years immediately preceding the commencement of the breeding season covered by this policy or 17 years of age or over at the start of the breeding season, unless specifically agreed otherwise by the Company.
3. It is a condition precedent to liability that the mares when bred to the stallion shall be free from infection or disease.
4. It is a condition precedent to liability that mares must have been bred to the insured stallion in at least two normal estrus cycles (unless tested in foal to the first service) to qualify for inclusion in the calculation of the insured stallion's fertility percentage. Breeding on foal heat to be specifically defined as not being a normal estrus cycle.
5. It is a condition precedent to liability that any deliberate termination of pregnancy in a mare bred to the stallion (e.g. the termination of a multiple pregnancy) be PROMPTLY notified to the COMPANY who reserves the right to include that original pregnancy within the fertility percentage calculation even if the mare should fail to reconceive at subsequent breeding's.



6. Mares which were barren in both of the two years immediately preceding the commencement of the breeding season covered by this policy, mares which were barren in the year immediately preceding the commencement of the breeding season covered by this policy and a maiden before then, mares of 17 years of age and over, mares which have raced or been under the control of a trainer within five months of the commencement of the breeding season and mares which have any known abnormality reducing their prospect of being successfully bred shall be excluded from the calculation of the stallion's fertility percentage unless such mares are certified or classified pregnant under Condition 9 in which event they shall be included in the calculation of the fertility percentage.
7. It is a condition precedent to liability that the Insured shall give PROMPT notice to IRT Insurance in the event of:
 - (a) there being any indication of the insured stallion's incapacity to either successfully breed mares or to achieve pregnancies,
 - (b) there being any incident whether of disease or otherwise at or adjacent to the stud where the stallion is standing which is likely to affect or interrupt the stallion's breeding program.

In either of which events, the Insured shall do, and allow the Company to do, all that is reasonably required by the Company to prevent a loss under this policy which will entail, but not be limited to:

- (i) the continued availability of all mares booked to the stallion until the end of the breeding season or, if approved or required by the Company, the use of substitutes for any mares released with the Company's approval,
- (ii) access by the Company's representative or other Company designated representatives to the stallion, mares and related stud records, including copies of, as soon as received by the stud, Veterinary Certificates as required under Condition 9 of this policy.

8. In the event of there being any disagreement following notification under Condition 7 between the veterinarian representing the Insured and the Company representative with regard to the cause and treatment of the stallion's infertility or management of the stallion and his breeding program schedule or treatment of either mares or the stallion, they shall each appoint a further veterinarian; the two so appointed to appoint a third to form a panel of five; the majority decision of this panel shall be final and binding on all parties hereon. The costs of such a panel shall be divided equally between the Insured and the Company.
9. It is a condition precedent to liability that the Insured shall obtain from the owners of all the mares bred, veterinary certificates stating whether the mares are pregnant or not pregnant at not more than 45 days after their last breeding date by the insured stallion. From this information, the stallion's fertility percentage will be calculated. In the absence of such a veterinary examination within the time and in the form prescribed above, a mare which has been bred will be included in the fertility percentage calculation as if pregnant.
10. In the event of the insured stallion proving less than 60% fertile, in accordance with the conditions of the policy, the Company may, at their own expense, appoint a qualified veterinarian of their choosing to re-examine any or all of the mares bred to the insured stallion and certified not pregnant. In the event of any such re-examination proving the mare examined to be pregnant, so as to improve the fertility percentage sufficiently to affect liability hereon, then the veterinarian(s) appointed by the Insured and by the Company shall refer to the panel as described in Condition 8 whose majority decision shall be final and binding on all parties hereto.
11. It is a condition precedent to liability that there shall be mortality coverage for not less than the amount of the fertility coverage. It is agreed and understood that said mortality insurance is primary to this fertility insurance and in the event a claim is paid or payable concerning mortality; a claim shall not be due under any circumstances under this fertility policy.
12. It is a condition precedent to liability that there shall be no other First Season Infertility or Mortality/Theft insurance on the stallion or to any shares therein, and this policy shall cease to cover the stallion immediately any other such insurance is effected.

13. In the event of a claim being presented to the Company, the Insured shall be required to produce the insured stallion for examination or examinations and shall also produce for examination all stud records at a reasonable time and place as designated by the Company and permit records thereof to be made.

14. It is condition precedent to liability that:

(a) In the event of the payment by the Company of a claim for 100% of the value of the stallion (or the sum insured, if less) the Company shall, if they so elect, take undisputed ownership of the stallion and shall be subrogated to all rights and remedies which the Insured may have against Third Parties in connection with the said claim.

Failure or inability to deliver undisputed ownership of the live stallion to the Company as salvage will void this policy and relieve the Company of all liability hereunder.

It is understood and agreed that upon payment of a claim for 100% of the value of the stallion (or the sum insured, if less) the Company (unless they agree otherwise) shall be entitled to payments for each mare included as pregnant in the Southern Hemisphere breeding season as listed on the Schedule of Cover fertility calculation as used in this policy, payment defined as follows:

(i) Where stud fees payable - the actual stud fee.

or

(ii) Where stud fees not payable - Twenty percent of the average contracted share purchase price.

The Insured shall be responsible for the payment due to the Company.

(b) In the event of payment by the Company of a claim for less than 100% of each and every one of the shares in the stallion, the Company nonetheless shall have the right thereafter to control the career of the stallion, including the right to enforce a sale of 100% interest in the stallion.

It is a condition precedent to liability that the Insured obtains the agreement of any shareholder not insured hereunder to this right of the Company both to assume control and enforce sale. All proceeds of sale, all revenue produced by the stallion and all expenses incurred relating to the stallion after the

claim is paid and the Company takes possession or control shall be shared among the owners of shares in the stallion on a basis proportionate to the number of shares owned.

It is understood and agreed that the Company shall be entitled to payments (as defined in Condition 14 (i)) from each shareholder indemnified in full under this policy. The Insured shall be responsible for the payments due to the Company.

- (c) Insured agrees to provide to the Company a detailed monthly report by the 5th of each month for the preceding calendar month with the following information:
 - (i) While the stallion is not being used for breeding, a listing and detailed information of any and all medication given or health problems treated or observed. If none of the above, a “negative” report must be submitted.
 - (ii) During the breeding season all of the above health related information plus a listing of mares bred with coverage dates and indications of any pregnancy results known. This report to include a copy of the normal stud managers records.
- (d) The Insured shall provide the Company with a full report of the semen test and test breeding to take place after policy inception but before commencement of the breeding season, plus any and all later tests as soon as available, but in no case more than 10 days after said test.