

## Section 6 – Stallion Permanent Infertility

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In consideration of the additional premium paid and subject otherwise to the provisions of this policy, it is hereby agreed that this insurance is extended to indemnify the Insured against the loss which may be incurred in the event of the insured stallion becoming totally and permanently impotent, infertile or incapable of serving mares as a result of an accident, sickness or disease incurred and notified to Insurers during the period of insurance. Such indemnity shall be limited to the Fair Market Value of the stallion immediately prior to the accident or first manifestation of the sickness or disease giving rise to the loss, but not exceeding the limit of the Insurers liability specified in the schedule in respect of that stallion.

### Additional Exclusions

This cover shall not indemnify the Insured for any loss arising from the death of the insured stallion, howsoever caused.

### Additional Conditions

1. It is a condition precedent to liability that the Insured shall comply with the conditions of the attached policy.
2. It is a condition precedent to liability that the Insured and/or their agent shall give notice PROMPTLY to IRT Insurance in the event of there being ANY indication of the insured Stallion being incapable of either serving mares or achieving pregnancies.
3. In the event of any uncertainty or dispute as to whether an accident sustained or sickness or disease incurred by an insured stallion has caused total and permanent incapacity as provided for above it is agreed that the following arbitration procedure shall be used:

The Veterinary Surgeons, one representing the Insured and one representing Insurers, with regard to the cause and treatment of the stallion's infertility or management of the stallion and his breeding program shall each appoint a further Veterinary Surgeon, 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 Insurers on the one part and the Insured on the other part.

4. It is a condition precedent to liability that:
  - (a) In the event of payment of a claim for 100% interest in the stallion, Insurers 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 Insurers as salvage will void this insurance and relieve Insurers of all liability hereunder.
  - (b) In the event of payment by Insurers of a claim for less than 100% of each and every one of the shares in the stallion (or 100% ownership interest in the stallion if not syndicated), Insurers reserve the right thereafter to take title to and possession of any interest in the stallion for which claims have been paid. It is understood and agreed that payment of a claim under this insurance entitles Insurers to all rights under the Syndicate, Partnership or joint ownership agreement.
5.
  - (a) In the event of the payment of a claim by the Insurers under this extension, any insurance against mortality risks covering the interest in the stallion insured by the policy shall forthwith be reduced by the amount of such payment.
  - (b) In the event of the payment of a claim by the Insurers under the mortality coverage of the policy, any insurance against infertility risks covering the interest in the stallion insured by the policy shall forthwith be reduced by the amount of such payment.