

**STALLION PERMANENT DISABILITY CLAUSE**  
**(For attachment to L.E. (U.S.A.) Equine Insurance)**

Subject to all of the terms, conditions and exclusions of the Insurance to which this clause is attached, and in consideration of the additional premium paid, it is agreed that the Insurance is extended to indemnify the INSURED in the event of the STALLION becoming, during the period of this Insurance and any applicable extension period, totally and permanently:

- (a) IMPOTENT; or
- (b) INFERTILE; or
- (c) incapable of SERVING MARES,

as a result of an accident, illness or disease sustained or contracted during the period of this Insurance.

Such indemnity shall be limited to the FAIR MARKET VALUE of the STALLION immediately prior to the accident or first manifestation of the illness or disease giving rise to the loss, but shall not exceed the Underwriters' limit of liability specified in the Schedule.

**ADDITIONAL EXCLUSION**

This Disability Clause shall not indemnify the INSURED for any loss arising from the death, theft or HUMANE DESTRUCTION of the STALLION.

**ADDITIONAL CONDITIONS**

(a) It is a condition precedent to any liability of the Underwriters that the INSURED shall comply with all of the terms and conditions of the Insurance to which this Disability Clause is attached.

(b) It is a condition precedent to any liability of the Underwriters that the INSURED shall give immediate notice to the person or persons specified in the Schedule in accordance with Condition 7c) of the Insurance to which this Disability Clause is attached, in the event of any indication of the STALLION being IMPOTENT, INFERTILE or incapable of SERVING MARES.

(c) In the event of any uncertainty or dispute as to whether an accident sustained or illness or disease contracted by the STALLION has caused the STALLION to be totally and permanently IMPOTENT, totally and permanently INFERTILE or totally and permanently incapable of SERVING MARES, it is agreed that the uncertainty or dispute shall be referred to a panel of three VETERINARIANS. Two VETERINARIANS shall be appointed, one by the INSURED, and one by the Underwriters, and a third shall be mutually agreed upon by the two appointed VETERINARIANS. The decision of this panel in the matter shall be final and binding on both the INSURED and the Underwriters. The fees of the appointed VETERINARIANS shall be paid by the party making the appointment, and the fee of the mutually agreed VETERINARIAN shall be apportioned equally between the INSURED and the Underwriters.

(d) (i) In the event of a claim for 100% interest in the STALLION, the Underwriters shall, if they so elect, take undisputed ownership of the STALLION. Failure or inability to deliver undisputed ownership of the STALLION live to the Underwriters as salvage will void this Disability Clause and relieve the Underwriters of all liability .

(ii) In the event of a claim for less than 100% of each and everyone of the shares in the STALLION , or for less than 100% ownership interest in the STALLION if not syndicated, the Underwriters shall, if they so elect, take undisputed title to and possession of any interest in the STALLION for which claims have been made. It is understood and agreed that payment of a claim under this Insurance entitles the Underwriters to all rights under the Syndicate, Partnership, Joint ownership or other similar agreement. Failure or inability to deliver title to and possession of any undisputed interest *in* the STALLION for which claims have been made will void this Disability Clause and relieve the Underwriters of all liability.

In the event of a claim under this Disability Clause Underwriters shall be subrogated to all rights and remedies which the INSURED have against third parties in connection with the said claim.

GLOSSARY (In the context of this Disability Clause): As used herein:

1. IMPOTENT means: The failure of the STALLION to achieve intromission.
2. INFERTILE means; Sterile.
3. SERVING MARES means: Achieving intromission.
4. STALLION means: Whole or part interest of the STALLION or STALLIONS specifically listed in the Schedule for coverage under this Disability Clause.