

STALLION PERMANENT TOTAL DISABILITY EXTENSION ENDORSEMENT

GLOSSARY (in the context of this Disability Endorsement):

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 Endorsement.

Subject to all of the terms, conditions and exclusions of the Insurance to which this Endorsement is attached, and in consideration of the additional premium paid as stated in the Schedule, it is agreed that, notwithstanding the Insuring Agreement b) or any other extension period, this Insurance is extended to indemnify the INSURED in the event of the STALLION becoming, during the period of this Insurance, totally and permanently:

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

as a result of an accident, injury, illness or disease first occurring and first manifesting itself and reported during the period of this Insurance.

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

ADDITIONAL EXCLUSION

This Endorsement 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 give immediate notice to the person or persons specified in the Schedule in accordance with Condition 7c) of the Insurance to which this Endorsement is attached, in the event of any indication of the STALLION being or becoming IMPOTENT, INFERTILE or incapable of SERVING MARES.
- b) Following notification in accordance with Additional Condition a) above, in the event that such accident, injury, illness or disease has not resulted in a permanent total disability until after the expiry date of this Insurance, claims shall be considered under this Endorsement providing the permanent total disability as agreed by two VETERINARY SURGEONS, one appointed by the INSURED and one appointed by the Underwriters, shall have arisen within 12 (twelve) months from the date of first occurrence or manifestation of the accident, injury, illness or disease.
- c) In the event of any uncertainty or dispute as to whether such accident, injury, illness or disease, 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 VETERINARY SURGEONS. Two VETERINARY SURGEONS shall be appointed, one by the INSURED, and one by the Underwriters, and a third shall be mutually agreed upon by the two appointed VETERINARY SURGEONS. 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 VETERINARY SURGEONS shall be paid by the party making the appointment, and the fee of the mutually agreed VETERINARY SURGEON 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 Endorsement and relieve the Underwriters of all liability.
 - ii) In the event of a claim for less than 100% of each and every one 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 Endorsement and relieve the Underwriters of all liability.

LMA5108
29 July 2008