



# Equine Insurance

## Understanding Horse Insurance Responsibilities

Whether a horse is purchased for personal or business reasons, ownership represents a significant investment of time, money and resources. While no one likes to think about the potential for tragedy, horses seem to be prone to illness, accidents and injury. Should some peril befall your horse, nothing may ease the emotional burden, but wise planning can help reduce the economic impacts.

Many reputable insurance companies offer policies to help protect owners from financial loss should a horse fall ill, become incapacitated or die. Because individual policies vary so much from company to company and circumstance to circumstance, it is beyond the scope of this brochure to explain how to find the right coverage to meet your needs. What's important to note is that each policy has its own terms, conditions and requirements, which may necessitate action from you, your veterinarian and your insurance company.

### TYPES OF COVERAGE

Common types of coverage available for horses include but are not limited to:

- Mortality - paid if the horse dies
- Loss of Use – paid on a percentage basis if horse is permanently incapacitated for its intended use or purpose
- Major Medical - like health insurance, offsets costs of catastrophic veterinary care
- Surgical - policies which cover only specific procedures such as colic surgery
- Breeding Infertility - covers stallions or mares for reproductive failure
- Specified Perils - includes any number of things such as lightning, fire or transportation

### KNOW YOUR POLICY

Insurance policies are legal contracts between the underwriter (the company) and the insured (horse owner). To better safeguard yourself and your horse:

- Read the contract thoroughly before you apply for coverage.

- Ask the insurance representative to explain any words, phrases or provisions you do not understand completely.
- Know your responsibilities. What is required should your horse fall ill, become injured or die?
- Understand any specific guidelines for emergency situations. A crisis is not the time to be trying to interpret your policy's fine print or to look for contact phone numbers.
- If euthanasia is recommended, know what steps must be taken in order for a claim to be valid.
- Make a list of questions to ask your insurance agent or company.
- Define your needs.
- Comparison shop. Besides cost, buyers should look at the longevity and reputation of both the agency and the insurance carrier.

## HEALTH CERTIFICATES

Most equine insurers require a current health certificate signed by a veterinarian before a policy will be issued for a horse. Remember, this is a legal document. You should not ask nor expect your equine practitioner to make claims about a horse he or she has not verified through a thorough physical examination. A veterinarian cannot simply "take the client's word for it," or complete the requested information based on prior knowledge of the horse. The certificate requires that determination of the animal's health be made on the day of the examination. Cost of the exam and any associated tests are generally your responsibility as a part of requesting the insurance. The exact requirements of the exam may depend upon the type of coverage being applied for. A breeding infertility policy would require a different type of exam than a simple mortality policy, for example.



## DETERMINING ROLES

A veterinarian cannot attest to the insurability of a horse. Your veterinarian can only respond to questions of which he or she has direct knowledge, reporting the medical facts to the best of his or her ability. He or she will be asked to positively identify the horse for which the application is being made. However, your equine practitioner has no role in determining the insurable value of a horse. That is a matter for the insurance underwriter and the owner to establish.

Regardless of the circumstances, never ask or expect your veterinarian to report a claim to the insurance company. This is your responsibility as the owner. The veterinarian may be asked to supply necessary medical documentation.

Do not expect your equine veterinarian to be an insurance expert. If you have questions regarding your policy, ask your insurance agent or the company rather than your veterinarian.

If there is something that your insurance company requires, make sure your veterinarian receives the request in writing.

If a question or dispute should arise regarding a claim, it is a matter for you and your insurance company to resolve. It is not the responsibility of your veterinarian.

## EUTHANASIA



Euthanasia is the intentional destruction of a horse for humane reasons. For an insurance claim to be valid, many companies require advance notification and prior permission except under the most extreme conditions. In some cases, the insurance company may wish to seek a second opinion before a horse is euthanized. The American Association of Equine Practitioners has established guidelines that state the justification for euthanasia should be based solely on medical, not economic considerations, regardless of the age, sex or potential value of a horse. Four criteria are given to help make this determination:

- Is the condition chronic and incurable?
- Has the immediate condition a hopeless prognosis for life?
- Is the horse a hazard to himself or his handlers?
- Will the horse require continuous medication for the relief of pain for the remainder of his life?
- Learn what your insurance company's policies are regarding euthanasia. Are they in keeping with the AAEP's guidelines, and do they protect horses from prolonged or inhumane pain and suffering?

## OTHER CONSIDERATIONS

- Know the time period for reporting any health problems to your insurance carrier.
- Determine if you must have prior approval for any elective surgery or medical procedures.
- Find out what documentation is required of you and your veterinarian in making an application or filing a claim.
- Know if your horse is covered when traveling out of state or out of the country.
- Define for your veterinarian the purpose for which a horse is being insured, for example, as a performance horse or as a breeding animal. Additional comments or remarks on both health certificate and application are encouraged.
- Understand your financial obligations regarding veterinarian examinations, laboratory tests, necropsies, or other procedures, which may be required by the insurer.
- Know the exact value of your policy and how it will be paid. For instance, a "loss of use" settlement might be different from a mortality payment if a horse is considered to have "salvage value."

## INDUSTRY INTEGRITY

You, your veterinarian and your insurance company each have a role in maintaining the integrity of the horse industry. Regardless of insurance coverage, the horse's welfare must always be at the forefront of any decisions being considered on its behalf.