

Equine Insurance

Are You Covered?

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BELOW: Personal liability insurance provides protection for bodily injury or property damage caused by your horse or riding activities, and usually excludes commercial use. Horse owners may also choose equine mortality insurance and major medical insurance for their horses.

Given the cost, risk, and financial investment associated with horses and the horse industry, insurance is often necessary, if not mandatory, for horse owners, trainers, and professionals. To be fully protected, it is essential to have the right type of insurance coverage. Reading and understanding insurance policies can be difficult as the language used is often

technical. This article will consider various types of equine insurance available to protect you and your horse.

Types Of Equine Insurance

The following types of equine insurance may be available to horse owners or those involved in the horse industry. These are general categories of insurance and the extent of insurance coverage under each type of policy will depend upon the particular wording of the policy in issue. In some cases, depending upon your activities, you may require more than one type of coverage. This is not an exhaustive list and other types of coverage may be available. If you have any questions about the insurance coverage available to you, you should consult a knowledgeable insurance broker.

Personal Horse Owners' Liability Policy

Your homeowners' policy may provide you with insurance coverage for some horse-related accidents, however, it may not always provide complete coverage. If you do not have a homeowners' policy or have a homeowners' policy which excludes some horse-related activities, you may wish to get a personal horse owners' liability policy. Under this policy, the insurer agrees to pay all sums you are legally obligated to pay for "bodily injury" and "property damage" arising from your horse ownership, plus costs to defend any claims brought against you. This type of insurance is often available as a benefit of membership in your provincial equine sports organization. You should read the



policy carefully, however, as it often contains exclusions with respect to commercial use of the horse and loss and damage resulting from allowing other people to ride your horse.

Equine Mortality Insurance

A horse may be one of the most expensive purchases you make in your life, aside from your home or your car. You may want to protect your investment by obtaining equine mortality insurance. Equine mortality insurance is a life insurance policy for your horse, with you as the beneficiary. This type of policy is generally an “all-risk” policy, which covers death from any cause, subject to any exclusions stated in the policy. You should read the policy carefully, as it may contain broad exclusions which limit the insurance coverage offered. This type of insurance is often limited to horses under a certain age.

Under this type of policy, the insurer agrees to pay the actual value of the horse at the time of the accident or illness causing its death. The policy usually specifies a limit to the value of the horse, which is typically set out in a schedule to the policy. If you make a claim under this type of policy, you will need to establish the value of your horse, which can be done by providing information to the insurer such as the bill of sale, an equine appraisal, proof of prize winnings, or sale ads for comparable horses. Most equine mortality insurance policies also insure against theft and the transportation of horses by trailer.

Major Medical

Major medical insurance provides for reimbursement of veterinarian's fees for surgery, major illness, and disease. Under this type of policy, the insurer agrees to pay reasonable and necessary charges arising from accident, injury, or illness to your horse. Coverage is usually limited to emergency services, not regular veterinarian visits. This type of insurance, which may help you control unforeseen veterinary expenses, is usually only available as an endorsement or “rider” to equine mortality insurance.

Surgical

Under a surgical insurance policy, the insurer agrees to pay reasonable and necessary charges for surgical treatment



ABOVE: Mare disability insurance provides coverage should your mare become infertile and incapable of carrying a foal to birth due to illness or injury during the policy period. Prospective foal insurance covers failure of the prospective foal to be born alive or death of the foal after its birth but prior to the expiration date of coverage.

arising from accident, injury, or illness. Coverage may include hospitalization, X-rays, medication, and lab tests associated with the surgery. This type of insurance is usually only available as an endorsement to equine mortality insurance.

Loss of Use

This type of insurance is often issued in conjunction with equine mortality insurance. If your horse becomes totally and permanently incapable of fulfilling the functions for which it is used, as set out in your equine mortality insurance policy, but its condition does not necessitate euthanasia, you may suffer a financial loss. The loss of use endorsement to the equine mortality insurance policy may pay a percentage of the horse's value (i.e. 75 percent) if the insurer takes the horse or a lesser percentage of the value (i.e. 50 percent) if you choose to keep your horse

Trip Transit

This type of policy provides insurance coverage for importing or exporting your horse internationally by air.

Care, Custody, and Control

Care, custody, and control insurance is meant to cover people who board or train horses or are otherwise responsible for other people's horses while breeding, showing, or training them. For example, this policy would apply if a boarder's horse dies of colic while it is at your barn and the

owner sues you for negligence. Under this policy, the insurer agrees to pay all sums you are legally obligated to pay to others for death, injury, or theft of horses in your care, custody, or control, plus costs to defend any claims brought against you.

Commercial Farm Liability

A homeowners' policy does not insure commercial activities. Commercial farm liability insurance is required if you perform commercial equestrian activities such as boarding, instruction, training, or breeding at your property. Under this policy, the insurer agrees to pay all sums you are legally obligated to pay for “bodily injury” and “property damage” arising from your commercial farm activities, plus costs to defend any claims brought against you.

Equine Professional Liability

Equine professionals who derive an income from horse-related activities are generally not eligible for coverage under a horse owners' personal liability policy or their homeowners' policy. They require a professional liability policy, which is often available through their professional licensing body. This type of policy provides insurance coverage for any bodily injury or property damage arising from your professional equestrian activities, plus costs to defend any claims brought against you.

continued on page 22

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ABOVE: A farm buildings and equipment policy may be required to provide all risk and replacement cost coverage.

continued from page 21

Farm Buildings and Equipment

A homeowners' policy may be insufficient to insure farm buildings and farm equipment. A farm buildings and equipment policy may be required to provide all risk and replacement cost coverage for farm buildings and equipment.

Stallion Insurance

Stallion or infertility insurance provides coverage in the event of your stallion becoming permanently and totally incapable of impregnating mares as a result of accident, sickness, or disease. Stallion owners who operate a breeding facility may also require commercial farm liability insurance and farm buildings and equipment insurance.

Prospective Foal Coverage

Prospective foal insurance covers failure of the prospective foal to be born alive or death of the prospective foal after its birth but prior to the expiration date of coverage. There are often strict limits with respect to the provision of this type of insurance coverage.

Mare Disability Due to Accident, Sickness, or Disease

This type of insurance provides coverage should your mare become totally and permanently infertile or incapable of carrying a foal through to natural birth due to an illness or injury incurred during the policy period. Coverage usually provides for payment of a percentage of the insured value of your mare. You will likely be required to provide a current satisfactory veterinary certificate in order to obtain this type of coverage, as well as pay an additional premium. This coverage may be limited to mares of a certain age.

Racehorse Owners' Insurance

Racehorse owners often face unique liability exposures which are excluded under other types of policies. Under a racehorse owners' policy, the insurer agrees to pay for bodily injury or property damage resulting from your horse racing activities, plus costs to defend any claims brought against you.

Special Event Liability

If you are hosting an event such as a clinic or a show, you should consider buying special event liability insurance. This type




ABOVE: Event organizers should get special event insurance to protect them during shows or clinics.

of insurance typically extends to the organization putting on the show and its members. Show officials, committee members, judges, course designers, and premises owners can usually be included as additional insureds. Under a special event liability policy, the insurer agrees to pay for bodily injury or property damage resulting from your special event, plus costs to defend any claims brought against you.

Cost Of Insurance

The cost of insurance will vary greatly, depending upon the type of insurance coverage being provided, the breed and age of your horse, the value of the horse, and the uses to which the horse is put. Insurers typically set their premiums based on the nature of the risk being insured. Generally, the greater the risk, the higher the premium.

Obtaining Insurance


When considering your insurance needs, you have to think about the types of risks you and your horse face. A knowledgeable insurance broker should be able to assist you in determining the appropriate type of insurance coverage for you and in obtaining that coverage. Once you have the policy, if you have to make a claim or a claim is made against you, you may require the assistance of a lawyer in reporting or defending the claim. If your insurer denies your insurance claim, a lawyer can assist you in bringing a claim for coverage against the insurer. 

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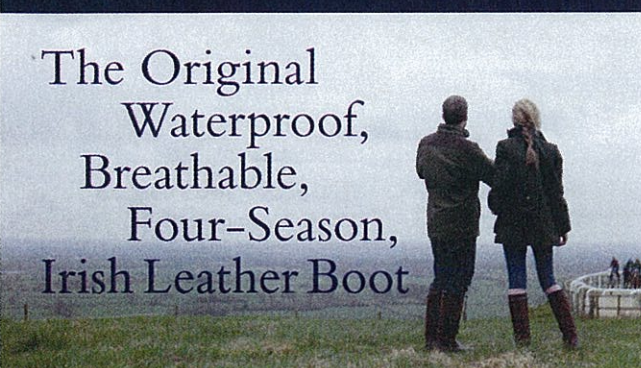



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