



FREQUENTLY ASKED QUESTIONS

Insurance can be pretty straight forward on one hand and can be complex and confusing on the other hand. We have compiled a lot of your questions with brief answers below in the hope that this will further your understanding of the various types of equine related insurance. Please do not hesitate to contact us with any of your coverage questions or for further information.

Call: (800) 526-1711 or (908) 735-6362

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I just bought my first horse. Is there some kind of life insurance I can purchase to protect my investment?

Yes. *Mortality* insurance is available to protect you should your horse die of any accident, illness or disease. Theft or death due to theft is included in the policy. Contrary to what some may think, it is really quite affordable.

Can I buy medical insurance for my horse?

Yes. *Major Medical* is available for horses that are eligible for this coverage. However, it is only available as an option to be endorsed to a Full *Mortality Policy*. It can not be purchased by itself.

Do I need to purchase Surgical insurance also if I buy Major Medical?

No. Major Medical insurance includes coverage for surgical procedures. *Surgical* insurance is available to add to the Mortality policy for those who do not want Major Medical or for those horses that are not eligible for Major Medical.

My horse had colic recently. Can I still insure him?

Once your horse has fully recovered from an illness and is back to work, he will be eligible for insurance providing you can provide a clean veterinary certificate of examination. However, in the case of colic, there will be an exclusion on your policy relating to any abdominal illness for a specified period of time, depending on the severity and treatment. Generally, if there has been surgery involving a resection or if the horse has a history of chronic intestinal illness, the exclusion will be permanent. (Any pre-existing conditions will always be excluded.)

I just purchased a horse and got a really good deal. Can I insure him for more than I paid for him? He's really worth more.

The price agreed to by a willing seller and a willing buyer establishes the horse's market value at time of purchase. Generally you will not be able to cover more than your purchase price the first year of ownership. When you apply for renewal of your policy, you can request an increase. You will need to provide information to substantiate the increase in value over what you paid for the horse.

I bought my horse for \$5,000 when he was a two year old. He is now five, well trained and competing successfully in regional shows. Can I insure him for more than purchase price?

Insurance companies will generally allow an increase for a portion of the cost of training after a horse has been broken to saddle. After that, any further increases must be substantiated.

Generally, your show records will provide the underwriter with the information needed to justify an increase to what is considered to be current fair market value.

My weanling is a homebred. How much can I insure him for?

Usually, homebred weanlings can be insured for two times the stud fee. Depending on the quality of the animal, exceptions may be made considering breeding and the selling price of the related offspring.

Up to what age will my horses be insurable?

Companies will generally offer *Full Mortality* up to age 18. However, overage rates will increase the cost to insure once a horse is over 12 or 15, depending on the breed and use of the horse. When the cost becomes a factor, you will start decreasing the amount of insurance to the fair market value of older horses. *Major Medical* is usually available up to age 15 and *Surgical* only, up to age 18. You may also consider replacing the Full Mortality coverage with either *Special Accident* or *Specified Perils* on older horses.

Can I purchase Loss of Use insurance on my pleasure horse used for trail riding?

No. *Loss of Use* is only offered to show horses. Pleasure horses are not eligible. Other restrictions on use would apply such as racing, barrel racing, roping, and rodeo etc.

We have a Homeowner policy. We plan on boarding horses and starting a riding instruction program. We are building a stable and arena. Our Homeowner agent has advised us that our policy will be cancelled because of our equine business. Can we get a policy that will cover our home and our business?

Yes. A *Farmowner* package policy is ideally suited to your needs. It will cover your house, contents, additional living expense and personal liability just like a Homeowner policy. In addition, it will cover the hazard insurance on your new barn and arena and provide the commercial liability insurance you need for your equine business. You will have a wide range of options to choose from, such as adding a valuable articles endorsement for your jewelry or adding coverage for your farm machinery. You will also want to consider obtaining *Care, Custody or Control – Legal Liability* insurance for the boarding of non-owned horses.

I need higher limits of liability than the limit I have on my Farmowner policy. Do you have excess limits available?

Yes. We can provide excess limits over the primary limit per occurrence on the Farmowner policy that is written through this agency. When written as an Umbrella, the policy can come over your auto policy and other underlying insurance, i.e., Workers Compensation /Employer Liability, as long as all underwriting requirements are met.

I just don't understand insurance. What will my equine liability policy cover?

Keep in mind that it is a *liability* policy which means, if you are held responsible for property damage or injury to a third party caused by your negligence and as a result you are sued, the policy provisions will cover the cost to defend you and pay damages for which you are legally liable up to the limit stated on the policy Declarations. A third party is generally not an employee or family member. If you have employees you should obtain Workers Compensation and/or Employer Liability insurance. The laws governing this insurance vary by state.

Our Homeowner policy excludes liability for our horses. Is there coverage available to protect us?

Yes. *Liability* coverage for private horse owners is available to protect you from a third party claim should your horse cause an injury, i.e. - bite someone, kick someone or cause property

damage. Certainly this is insurance you will want to consider to protect your assets should you be confronted with a law suit and the cost to defend yourself.

I am a free lance riding instructor. The stable where I teach requires that I carry insurance. Is there some kind of liability insurance to cover me?

Yes. A commercial equine *liability* policy is available to you. It will offer protection in the event you are sued for bodily injury or property damage by a third party to which this insurance applies. The coverage provided for your riding instruction program will follow you, for example, if you teach at more than one location or accompany a student to a show as their coach. If a student is injured and you are found to be at fault, this policy is most important for your peace of mind.

Why does the property owner where I teach riding and train horses want to be added to my policy? The stable has a policy of it's own.

The owner of the facility should require that he be added to your policy as an Additional Insured with respect to your equine operations as long as you are doing business on his property. This is for the owner's protection. If there is an incident resulting in a claim due to your negligence, it is likely that the owner of the property will also be drawn into the lawsuit. Your policy will then defend the Additional Insured, landowner. You should be required to carry no less than the limits that the property owner carries on his insurance.

I am an independent instructor. Why do I have to declare how many horses I own on the application? I don't use my horses in the lesson program.

The commercial equine *liability* policy covers all of your equine activities so it is important that you declare your own horses as well as your equine business. If your own horse causes injury to someone and you are sued, this policy would be there to protect you.

I own a boarding stable. Some of my boarders want to bring in their own instructor to give them lessons. They are independents – I don't pay them. Do I need insurance for this?

For your protection, you must require that they carry insurance for riding instruction, name you an Additional Insured on their policy and carry limits no less than yours. As an alternative, if you are willing, consider adding the instructor to your policy. Discuss this with your agent.

My state has an equine liability law so I can't be sued. Why do I need insurance?

Equine Activity Liability Laws (EAL) have been passed in 44 states. Each state law varies somewhat from one another so be sure to be familiar with the ones in your state. They are generally designed to limit or control liability and most require that you include specific wording in your written contracts, i.e. the Release of Liability Agreement that most insurers require you to use if you are in an equine business. The law may also require you to post a Warning sign with specific language which warns a participant of the inherent danger of being on or around horses. The laws can limit liability and reduce frivolous, groundless suites but will not prevent an injured party from suing. If you are found to be negligent, the law can do little to protect you.

I have all of my boarders and students sign a Release of Liability Agreement stating that they won't sue me. Why do I need liability insurance?

Think of the Release like a fire extinguisher. It may put out the fire – it may not. It does not replace the need for *liability* insurance. There are a number of reasons why a signed release may not prevent a law suit. Courts across the country frequently recognize that you can not take away the right to sue for a justifiable reason, i.e., gross negligence. If your Release is not written properly and not properly presented or not properly signed, the odds are it will not stand up to the scrutiny it will be subjected to. Know your state laws.

What if my customer's horse is injured while I am training him. Is this covered under my commercial equine liability policy?

No. There is an exclusion in the commercial *liability* policy that applies to damage to property in your *care, custody or control* which includes non-owned horses. If you board horses, train or even exercise horses for their owners you may be held legally liable for an accident. Insurance is available to protect you if a horse is injured or dies while in your care and the owner contends that it was your fault. There are many limits to choose from to fit your needs. When selecting a limit per horse, consider how valuable the horses are. Keep in mind that the cost of defense, if any, is generally included in the limit.

I require all of my boarders to have their horses insured so why do I need a Care, Custody or Control – Legal Liability policy (CCC)?

If a non-owned horse is injured or dies while in your *care, custody or control* and the owner has mortality insurance, the insurance carrier will pay the claim. However, if the injury or death of the horse may have been caused by some negligence on the part of you or your employee, the insurance carrier can pursue a claim against you in order to recover. This is called subrogation. Your CCC policy will pay for your defense and the claim up to the limit declared on your policy.

Our Club is planning several activities this year including a horse show. What kind of insurance do we need?

Protection for the club and its members is available under the *Riding Club* policy. An annual policy will cover the activities organized by the club, i.e. your horse show, clinics, trail rides, and participation in a parade or exposition. Often referred to as “spectator liability” or “public liability”, this policy will protect the club in the event of a lawsuit by a third party for bodily injury or property damage.

I need liability insurance for one horse show. Is there a short term policy available?

Yes. You can obtain a commercial equine liability policy for your *horse show* or single event. The policy period will cover the actual show date(s), the day prior to the show and the day after the show if needed for set-up and take-down.