



## Why do I need Equine Insurance?

What would you do if your horse became ill, seriously injured or worse had to be euthanized? Are you prepared to be saddled with a stack of veterinary bills? Are you prepared to lose your entire investment?

This is why equine insurance is so important because it helps you cover these costs.

### Types of insurance available to horse owners include:

**Full Mortality:** This type of coverage is equivalent to life insurance for your horse. It provides death and theft coverage on a broad perils basis, including accident, injury, illness and disease. Policies are written on an annual basis and premiums are based on the horse's age, breed, use, and insured value.

**Major Medical:** This is a form of health insurance on your horse and is purchased as an additional endorsement to the Full Mortality policy. It helps cover the cost of veterinarian expenses (medical and/or surgical) if the horse suffers an injury, illness, accident or disease. Annual policy limits range from \$7,500 to \$15,000.

**Emergency Colic Surgery:** Provides coverage for the cost of emergency colic surgery on qualifying horses with no history of colic/gastrointestinal disturbances. Policy limits vary by company ranging from \$3,000 to \$5,000.

**Loss of Use:** Provides coverage in the event your horse becomes incapacitated due to a debilitating injury or disease that does not warrant euthanasia, but the animal can no longer be used for its intended use. This coverage must be applied for and an additional premium is required.



# EQUINE INSURANCE 101

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## How do I set an insurance value on my horse?

The standard of value used to insure your horse is the fair market value.

Fair market value is defined as the amount at which your interest in the horse would be purchased by a willing buyer and sold by a willing seller at the time of loss. If you have recently purchased your horse, generally the purchase price is considered fair market value.

If your horse is not a recent purchase but has been in training and shown successfully, then you may request for an increase in value pending approval.

Your horse's value also affects the amount of medical coverage you receive. Most carriers will not issue major medical coverage unless the horse is insured for \$10,000 or more.

## Why do I need an individual equine liability policy?

What if your horse gets loose, runs onto the highway and is hit by a passing motorist, and the motorist is injured? Are you covered?

Most homeowner's policies will not provide coverage to livestock off premise. Moreover, the policies that do provide coverage have a very small cap on medical expenses. There are liability policies specifically for horse owners. These policies are very inexpensive and some allow you to insure your tack and equipment. It is a small price to pay for peace of mind.

## Why do I need a tack and equipment policy?

When showing away from home, both horse and rider travel with a significant amount of expensive equipment such as saddles, bridles, carts, tack trunks and more. While you may do your best to keep these items safe, accidents happen and things go missing. Not all homeowner's policies provide coverage.

Tack and equipment coverage is available to insure your valuable equipment from damage or theft. Coverage pays for the lesser of repair or the cost to replace your equipment minus depreciation at the time of loss.

## What kind of insurance does a trainer need?

Are you training horses and receiving compensation? Then yes, you will need insurance. Types of insurance available to horse trainers include:

**Care, Custody and Control:** If you have horses in training and are responsible for their primary care, then you need care, custody and control insurance (CCC). A Standard General Liability Insurance Policy excludes coverage for personal property (horses are an example) in your care, custody or control. This coverage fills this void by promising to pay all sums you are legally obligated to pay for damage to non-owned horses in your care, custody or control. This coverage does not apply to horses that you own or lease.

**Commercial Liability:** This type of policy is much broader in scope. It covers most types of liability

claims, including negligence. Moreover, it pays for your legal defense in the event you get sued.

**Excess or Umbrella Liability:** This coverage provides you with an additional level of protection beyond the coverage offered by your basic insurance policy.

**Loss of Business Income:** Protects you in the event of a covered business interruption; provides operating expenses and replaces lost income.

**Workers Compensation:** Covers your workers or employees if they are injured, get sick, or die as the result of a job-related situation.

**Vehicle Insurance:** If you have a truck and trailer, you will want to insure them as well. In many cases, your auto insurance will cover damage to your trailer you are towing (but NOT the contents of the trailer).

## What should I look for in an insurance company?

When you seek equine insurance, there are two questions you should always ask your agent about the insurance company. What is their A.M. Best rating and are they admitted in your state?

A.M. Best is a national service that grades insurance companies on their financial strength and economic outlook (i.e. ability to pay claims). The ratings range from A++ to D and include the financial size of the company noted as a number (such as XV or 15). To find an insurance company's rating, visit [ambest.com](http://ambest.com). Look for companies with a rating of A+ (superior) or better.

**Admitted v. Non-Admitted:** An admitted insurance company is one that is "admitted" to do business in your state and must conform to the regulations of a particular state's Department of Insurance. Why is this important? One of the benefits of working with an admitted carrier is that the state has the responsibility to pay an insurer's claims, up to state-specified limits, in the event of the company's insolvency.

A non-admitted insurance company is one that doesn't operate under an individual state's insurance laws. Moreover, they do not have the benefit of having its claims resolved in the event of a bankruptcy.

To find out if an insurance company is admitted, contact your state Department of Insurance via phone or website.

## How do I apply for coverage?

Apply online at:  
[www.equidaeinsurance.com/forms](http://www.equidaeinsurance.com/forms)

**Contact us direct at:**  
Equidae Insurance, Inc.  
608 Virginia Street East, Suite 302  
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