

Equine Insurance: It's All About Protection

Like any insurance, it seems like a waste of funds, until you need it.

Mention the word "insurance" to most people, and you'll likely encounter an excitement level similar to that of a horse on ace. Let's face it. The topic of insurance is boring, and insurance salespeople have a reputation for being some of the most tedious people in the world. Or as comedian Woody Allen once said, "There are worse things in life than death. Have you ever spent an evening with an insurance salesman?"

However, when you're confronted with an injured or dying horse or if you've just been slapped with a lawsuit, it's amazing how quickly insurance becomes important.

START WITH THE AGENT. Finding a reputable agent who specializes in and is knowledgeable about equine insurance and your type of horses is your first step. This may involve some research.

Most underwriters and agencies have websites and advertise, locally and nationally. You can also get quotes by e-mail or phone if you complete a questionnaire, but this may not be your best option.

Equine attorney and author of *The Complete Equine Legal & Business Handbook* Milton Toby suggests you talk to veterinarians, equine clinic staff and barn managers/trainers. "You can't beat word of mouth references," said Toby, who added that equine insurance is a niche industry, which means most insurance companies try to provide good

service to their clients. If they don't, they usually don't stay in business very long.

SIGN AT THE X. Remember that a policy is a contract, a legally binding agreement between you and the carrier. As such, both parties owe certain duties to the other.

You, the insured, must know what the terms of the policy are and what they mean. Since insurance policies have been written by lawyers in boring legal prose, most people don't read them, or if they do, they may struggle to understand what they mean. Milton Toby says ask for clarification. "You need to know what you're signing," he said.

You must also notify the underwriter and agent of any changes in the horse's physical condition, location and/or use as soon as possible. This is particularly important with mortality claims and renewals.

Honesty on the application is imperative, according to Jorene



Determining the honest value of your horse is critical.

Insurance Underwriters

Underwriter	Colic Coverage	Guaranteed Extension Coverage	Age of Insurability	Loss of Use	Health Certificate Requirement
American Equine Group www.american-equine.com 847-836-7787	Up to \$3,000 or 60% of mortality limit of liability, includes \$300 aftercare deductible.	Up to 12 months from policy expiration date for condition occurring and reported during policy period.	NA	Pays up to 50% of the limit of liability.	\$100,000+
Chartis www.chartisinsurance.com	Up to \$3,000; no added cost.	Up to 12 months from policy expiration date for condition occurring and reported during policy period.	Up to 18 for full mortality.	Pays up to 60% of insured value. Ownership transfers to insurer in event of paid loss.	\$50,000+
Great American www.great-american-insurance-group.com 513-369-5000	Coverage up to \$10,000, costs \$150; deductible \$250. Company pays 70%.	Up to 120 days.	Guaranteed renewal through age 15, renewal offered through age 20 with rate increases.	Pays up to 70% of horse's value if insurer takes ownership; 50% if insured retains ownership. Horse must be valued at at least \$25,000 and be between 3-12 years of age.	\$100,000+ or if foal is less than three months of age.
The Hartford www.thehartford.com 860-547-5000	Up to \$3,000 or 50% of the liability limit, whichever is less. Up to \$300 for emergency transport once during policy period. Aftercare included.	Up to 12 months from policy expiration date for condition occurring and reported during policy period.	Guaranteed renewal until age 15; 15 years, add 2%; 16 years, add 3%; 17 years, add 5%.	Pays 60% of the amount the insurer would pay if death occurred.	\$25,000 ages 30 days to 17 years.



Use the same care choosing your insurance underwriter as you do your equipment.

Mize of the Jorene Mize Insurance Agency, who has been selling equine insurance for over 20 years. If you misrepresent or falsify information, especially the value of your horse, you may find the insurance company denies your claim.

In return, your insurance company should promptly respond to calls and answer questions. Your agent should explain your policy terms and advise you on what types of insurance and limits you need and pay claims quickly.

MORTALITY INSURANCE. Many people call mortality coverage equine "life insurance." However, since equine mortality insurance only pays for the value of the horse (either "agreed upon" or "fair market value") rather than a horse's anticipated lifetime future earnings, the analogy isn't accurate. Mortality insurance helps you recover the financial loss from your horse's death. (We'll discuss equine "health insurance," aka major medical/surgical policy next month.)

Depending on the carrier, equine mortality insurance can be obtained for a horse that is 1 day to 20 years old. However, some insurers impose an increase in premiums after age 14. Beyond age 18, carriers may restrict coverage only to theft or deaths resulting from certain "acts of God" (i.e., lightning, earthquake, flood or fire).

Equine mortality insurance may provide for "full mortality" or "limited mortality" coverage. Full mortality insurance covers death directly or indirectly from most accidents, illnesses or diseases, and will cover death from euthanasia

Mortality vs. Major Medical

Mortality insurance can help you recover the financial loss from your horse's death. Major Medical is more like "health insurance" for your horse. If you wish to get a major medical/surgical policy for your horse, you will also be required to have mortality insurance.

Underwriter vs. Agent

The **underwriting company** is the actual insurer. The financial health, reputation and reliability of the underwriter is paramount. They decide if your loss is covered and pay you if it is. Currently, the major equine insurance underwriting companies include: American Equine Insurance Group, Chartis, Great American and The Hartford.

The insurance **agent/agency** sells the underwriter's policy to you. He or she is also the liaison between you and the underwriter. Markel is a well-known equine insurance agent (www.horseinsurance.com).

Look at more than cost when deciding. Consider how long the underwriter has been in business and whether the underwriter has at the very least an A (if not A+) rating from A.M. Best (www.ambest.com), a company that reports financial strength ratings that indicate its ability to pay claims. Of the companies listed above, all have A.M. Best A ("excellent") ratings with the exception of American Equine Insurance Group, which we could not find on the A.M. Best database.

What's Your Horse Worth?

Establishing how much your horse is worth becomes an important factor in the mortality insurance equation. Unless you want to make a generous contribution to an insurance company, as a horse owner, you don't want to pay for more insurance than you need. It's also important to be honest with your insurer and to be able to document with objective evidence your horse's value. Avoid inflating the monetary value of your horse without being able to substantiate it. If a question arises later as to the true value of your horse, you must be able to prove it. Insurance agent Jorene Mize said, "The burden of proof is on the insured to accurately establish horse value. It's not up to the insurance company."

Some insurance carriers require a veterinary certificate of health before insuring horses, which may depend upon the horse's value. However, the duty of the veterinarian is to document the health status and physical condition of a horse and not to establish a monetary value for it.

Establishing your horse's value can be accomplished by submitting the bill of sale that should be part of any horse purchase, or by comparison with other horses of similar breed, age, training and showing record. Professional equine appraisers can also assist you with establishing your horse's monetary value. (Note: To find a professional equine appraiser, contact the American Society of Equine Appraisers at www.equineappraiser.com, 800-704-7020). Your horse's value may change. With training, it may increase. With age or change in physical status, it may decrease. Therefore, keep your insurer informed of changes so that you can insure your horse for an appropriate amount and pay an appropriate premium.

done to prevent further suffering. (Note: Mortality insurance will not cover economic euthanasia.)

Because colic is a common, often fatal, condition that is often amendable to surgical treatment to preserve a horse's life, you'll usually need to also purchase an emergency colic surgery supplemental rider with the full mortality policy. Expect to pay an additional premium for this.

Colic supplementals usually have a monetary limit (\$3,000 or 60% of the insured value of the horse) and may also cover the cost of transportation of the horse to a surgical facility and aftercare. However, colic supplemental may not be available if your horse has a history of colic prior to being insured.

Along with colic coverage, most mortality policies offer an automatic "Guaranteed Coverage Extension," which provides mortality coverage for a period of time (usually up to 12 months) after expiration of the policy, if the condition causing death occurred and was reported to the insurer during the policy period.

The less comprehensive "limited mortality" policy, also known as "perils" insurance, only covers deaths under limited circumstances, such as fire, lightning or floods. Because this type of policy is narrower in scope, it's generally less expensive and may be a reasonable choice when a horse owner cannot get insurance for other reasons.

A mortality insurance policy won't cover a horse's death if it's due to owner neglect or intentional misconduct. Some policies also require that your horse be under daily care and supervision. Watch for other limits, such as no coverage if the horse leaves the continental United States, unless you have written approval from the insurer. Check your insurance company be-



Proper, daily care may be required in order to insure the horse.

fore sending your horse on a cruise.

Mortality insurance also covers theft of your horse. Before a company will pay for that, the horse must usually be gone for at least 30 days after the incident of theft has been reported to the insurer. You, as the horse owner, must report the theft to law enforcement.

LOSS OF USE.

Often added to mortality insurance is a Loss of Use policy, much like disability insurance in people. It provides coverage for a horse that suffers a permanent injury that leaves him unable to perform his intended use but doesn't require euthanasia.

This type of insurance is geared toward the expensive performance horse. Most limit their Loss of Use coverage to 50-75% of the Full Mortality insurance value of the horse. In some instances, the policy may allow them to take ownership of the horse or the owner will have to accept a lower payment amount if they wish to keep the horse.

FAIR MARKET VALUE VS. AGREED UPON VALUE.

Ask most horse owners what kind of price tag they would put on their horse's life, and they're likely to say it's priceless. However, in insurance, a horse's value is about real dollars and cents, not affection. When buying mortality insurance, you must establish the actual monetary value of your horse. It's critical to know whether your policy is based on an "agreed upon value" of your horse or the "fair market value" of your horse at the time of its death.

"Agreed upon" value is a dollar amount determined by the horse owner. Obviously, the higher the value of the horse, the greater the insurance cost to you will be. However, should your horse die while being insured under a mortality policy with an agreed-upon value,

the carrier will pay you the full amount of the agreed-upon value.

Under a "fair market value" mortality policy, the value of a horse is the amount the horse was monetarily worth at the time its death. Predictably, legal conflicts may arise when an insured loses a horse and expects to be compensated for what they thought the horse was worth at the height of its career but only receives a fraction of that amount because, at the time of death, the horse was a retired pasture ornament. For that reason, it's wise to opt for an "agreed upon" value mortality policy.

WHAT'S THE COST? The current economy is making most people look carefully at their budgets, so insuring your horse may seem a low-priority expense. However, having mortality insurance can soften the financial blow of losing your equine investment.

If you have a relatively inexpensive recreational horse and aren't concerned about paying the veterinarian if your horse colics, you may not need mortality insurance at all. However, if you have a horse in which you've invested your money and your time in training and showing, or a horse, which if lost, means a significant financial hit to you, mortality insurance is wise.

Generally, insurance carriers calculate yearly mortality insurance premiums using a formula of 2.5% to 4.5% of an agreed value (or \$25-\$45 per \$1,000 of coverage) depending on the age, breed and discipline. An additional major medical policy usually adds \$150 to \$250.

WHEN THE TIME COMES. As cold as it may sound, if you have a mortality policy on your horse, you must include your insurer in your decision as soon as your horse has died or euthanasia is indicated.

Because illnesses and injuries can quickly worsen to the point of being fatal, notifying your insurer at the very first sign of illness or injury is extremely important. Failure to do so may result in your insurer denying your mortality claim later on. "You can never go wrong by notifying too often," said Milton Toby.

Furthermore, insurance companies may refuse to pay if you fail to get reasonable care from a licensed veterinarian to preserve your horse's life prior to its death. This fact makes a strong case for purchasing a major medical policy with your mortality insurance.

If you have only mortality insurance and must do all you can from a medical standpoint to save your horse or risk having your mortality claim denied, the result could be a deceased horse along with a pile of out-of-pocket veterinary bills.

In cases where a horse must be euthanized immediately, insurance carriers will generally not require pre-notification that might prolong the horse's suffering. However, you should have clear documentation that immediate euthanasia was necessary. This can get sticky.

Know your insurance policy's requirements for notification and have this information, the policy number and the company's phone number readily available wherever your horse is at the moment. It can be invaluable during a crisis.

Be sure you know what your policy's specific requirements are following your horse's death. You will likely be required to have a licensed veterinarian perform a post-mortem necropsy, and you may be required to preserve your horse's body pending examination by a veterinarian from the insurance company. Some insurers require a sworn proof of loss statement to be submitted by the owner within 60 days and the company may also reserve the right to question the owner under oath within 30 days.

BOTTOM LINE. Whether your horse is a beloved family member or a business investment, compensation for its loss can assist you with financial recovery. However, you need to understand the policy you've purchased thoroughly, so you're prepared if and when the time comes that you need to use it. It isn't just the price of the policy that matters. [E]

Article by Susan S. Quinn, Esq. One of the first Horse Journal writers, Susan is an avid dressage rider and attorney.

Media Critique

The Horse's Pain-Free Back and Saddle-Fit Book

THE HORSE'S PAIN-FREE BACK AND SADDLE-FIT BOOK. BY JOYCE HARMAN, DVM, MRCVS. 2004. TRAFALGAR SQUARE BOOKS. SOFTCOVER. \$32.95. AVAILABLE AT WWW.HORSEBOOKSETC.COM, 800-952-5813.

Some books are classics that should be on every rider's book shelf. This book is one of them.

Although we've long shared the benefits of a using custom saddle fitters, it isn't always the "perfect" solution or even realistic at times. But that doesn't mean we can neglect saddle fit any more than we can walk around all day in a pair of paddock boots that aren't the right size for our foot.

It's amazing how many readers have told us that they "accidentally" figured out that the reason their horse wasn't "quite right" was the saddle. The saddle-fit fix brought high heads down where they belong, stopped one-sided stiffness, encouraged impulsion and otherwise made the horse more engaged and, well, just plain happy.

Dr. Harman is thorough, explaining problems and fixes for both the rider's comfort and for the horse's. She discusses human and equine conformation differences and their requirements in a saddle. The book includes outstanding illustrations by Susan Harris, clear photos, charts, and sidebars.

Best suited for: Any English rider wondering about saddle fit, riders looking for answers to an unhappy-but-healthy horse, and anyone considering the purchase of a new saddle. Farriers should carry this book with them to help when a rider blames the farrier for the horse not moving the way he used to but the feet are perfectly balanced.

You'll be disappointed if: Actually, you won't.

Bottom Line: Dr. Harman's book will turn you into a saddle fit junkie in no time. Like George Morris's classic "Hunter Seat Equitation" for hunter/jumper riders, Dr. Harman's book is the Bible for saddle fit. [E]

Contributing Farrier Editor Lee Foley.



Safety Thought

Helmet Care

Heat may harm it.

If your approved safety helmet gets dirty or smelly, you can wipe it clean with a cloth and cool water, sprinkle baking soda or use a deodorizing spray specifically made for helmets. Some people run their helmets through the dishwasher, which gets the outside sparkling clean but degrades the foam on the inside, reducing its effectiveness. Do not expose your helmet to hot water or high temperatures and avoid household cleaners or solvents, which can also eat away at the foam. [E]



Equine Health Insurance

"Major medical" sounds similar to human health insurance, but it's far more limited.

The debate over the rising cost of health care, health insurance, deductibles, co-pays and pre-existing conditions doesn't just confront everyday Americans. These issues are alive and kicking in the equine world as well.

The good news is that as equine veterinary technologies continue to improve, horses benefit from quicker and more accurate diagnoses and better, more effective treatment choices. And, increasingly, horse owners want state-of-the-art veterinary care.

The bad news is that as equine veterinary care becomes more sophisticated—with its increasing specialization and advanced, expensive technologies—the cost increases, too.

Just as there are companies that sell health insurance to people, there are companies that offer major medical and surgical insurance policies for your horse. These policies are only offered as endorsements to purchased full mortality

policies, meaning that they are insurance plans not available as stand-alone policies. They're sold as an addition to a mortality policy for an extra premium.

Don't get discouraged, though. If you already have a mortality insurance policy, the major medical/surgical coverage costs about as much as one horse show. Our chart indicates that the added cost ranges from \$150 to \$675 a year, which is \$12.50 to \$56.25 per month. So, if you're interested in avoiding a heart-wrenching decision solely because you lack the money to pay for treatment, read on.



Love aside, is it worth risking all the time and money you put into training over a small annual premium?

COVERAGES. Major medical/surgical policies pay for the reasonable and customary charges provided to your horse by a licensed veterinarian for an accident, illness, disease or injury. These insurance plans

also pay for most diagnostic tests such as x-rays, ultrasounds and the increasing more utilized and costly MRIs and nuclear scans. They do not cover routine preventative care such as immunizations and dental care, nor do these policies cover corrective shoeing or alternative therapies such as chiropractic, massage or acupuncture.

Surgical policies cover the reasonable and customary charges from a licensed veterinarian for surgical

services only. Surgery is defined as procedures requiring general (not local) anesthesia that must be performed at an equine veterinary clinic (read: not your barn).

Surgical insurance policies don't cover any elective surgery, such as castration or neurectomy. Though dental care is usually excluded from coverage, surgical policies may cover dental procedures when this surgery is required as a result of an accident. Most surgical policies will provide coverage for post-op hospitalization veterinary care.

Some horse owners choose to forego a major medical/surgical policy and buy a less costly surgical policy only. It's important to understand that if you make that choice, the policy covers surgical procedures and post-op care only. It will not cover any treatments or often costly diagnostic procedures done prior to a surgery.

TRICKS OR TREATS. You have to do your homework before purchasing a policy, so watch for exclusions and limits. In addition, learn all

Insurance Jargon - Read Your Contract

- 1) Major Medical Insurance:** An endorsement (add-on policy) to mortality insurance. Covers the cost of care provided by a licensed veterinarian to your horse in the event of illness, accident or injury.
- 2) Surgical Insurance:** An endorsement that covers the cost of surgical (non-medical) care provided by a licensed veterinarian.
- 3) Annual Aggregate Coverage Limit:** The maximum dollar amount an insurer will pay in a one-year policy period.
- 4) Deductible:** Money the insured must pay first for veterinary services before the insurance company pays for the remaining costs.
- 5) Limits of Coverage:** The maximum amount of money an insurance company will pay to you under your policy.
- 6) Co-payment:** Money (usually a percentage) that you will be required to pay along with the insurer for certain veterinary services.
- 7) Age eligibility:** The age of a horse for which insurance may be provided (usually 30 days to 15-20 years).

you can about the insurance policy, the underwriting company and the agent with whom you are dealing (see September 2012).

Be aware that major medical/surgical insurance isn't highly profitable for insurance companies. They offer these policies largely as an inducement to horse owners to purchase their more-profitable mortality insurance policies.

Barbara Kirby of Markel said to look into the reputation and stability of the company. "We've seen companies get into and out of the business quickly," she said. Kirby also advised that you get the appropriate amount of coverage for your horse and be sure to ask about specific limits and exclusions in your policy.

Major medical/surgical policies do not come in "one-size fits all" contracts. Insurers offer a variety of coverage limits from which to choose (usually from \$5,000 up to

Filing a Claim

Unlike human health insurance, where the provider usually files a claim on your behalf, you will pay for your horse's veterinary services first and then file your own claim for reimbursement. Most insurers have a time limit for filing (usually 30-90 days) and may deny your claim if you exceed it. Along with your veterinary bills (keep a file of all your veterinary-related expenses), you'll need a veterinary report of your horse's diagnosis, treatment and prognosis.



If your horse is injured, let the insurer know immediately, even if you don't think you'll file a claim.

\$15,000). They may allow for "stacking," an insurance term meaning that a policy holder can buy more than one policy and add the coverage together to provide a greater amount of insurance coverage.

Some companies will provide medical/surgical coverage only up to the claimed value of the horse. Others may offer medical/surgical coverage that provides coverage for the amount of the policy, even if it

Typical Major Medical Exclusions

In our chart, an "N" means this is not covered. A "Y" means it is typically covered. However, you still need to read your contract carefully. There may be other exclusions and limits in it that are not listed here.

In addition, all companies exclude any illness, injury or accident that is the result of malicious conduct or gross negligence.

Not covered by any of the underwriters in our chart:

- Horse transport
- Neurectomies and complications
- Post mortem/necropsy
- Race horses
- Surgery for respiratory defects that inhibit performance
- Vet barn call
- Chiropractic, acupuncture, massage

Exclusion	Chartis	Great American	The Hartford	Markel	American Equine
Congenital birth defect	Diagnostics may be covered; treatment not covered	N	N	N	N
Lameness due to navicular, DJD, arthritis	Diagnostics may be covered; treatment may not	Y	N	N	Consult claims adjuster
IM/joint injections	N	N	N	If necessary to treat illness or injury	N
PRP, IRAP, stem cell	For covered cause pays 100% check with adjuster	Y, up to \$1,200 per unrelated occurrence	Y, for major medical \$7,500+ and high deductible major medical \$10,000	If necessary to treat illness or injury	Y
Bone chips, OCD lesions	N, if diagnosed within first 6 mos. of policy period	N	N	Not if pre-existing condition	Consult claims adjuster
Hospitalization/convalescent boarding	On case-by-case basis	Y	On case-by-case basis	Y, for hospitalization; N for convalescent boarding	Y
Shock wave	Y, \$300/treatment; \$900 total	Y, up to \$1,200 per unrelated occurrence	Y, 50%	Y, \$300 per treatment, \$1,200 cap	Y

exceeds the value of the horse.

Insurance carriers won't usually drop a policy holder for filing a claim. Instead, the policy holder will likely be subjected to an "exclusion" for future coverage for that particular health problem. Depending on the veterinary problem, such an exclusion may be permanent or may be in effect for a set period of time and erased if the problem does not recur.

UNDERWRITER RULES. The major players in the equine major medical/surgical insurance business are Chartis, Great American, The Hartford, Markel and the American Equine Insurance Group. Annual aggregate coverage limits for these companies range from \$2,500 to \$15,000 with annual premiums ranging in price from \$160 to \$450.

All five companies require deductible payments (the amount you must pay before the insurance kicks in) to be made by the insured before their policies will pay a claim. Deductibles aren't cumulative, the way they are in human health insurance. You will be required to meet your deductible for each separate claim you make. Deductibles per claim vary among the four underwriting insurers but range from \$250 per claim (Great American) to \$1,500 per claim (The Hartford).

Along with deductibles, your insurer may require that you pay part of the cost (co-pay) for various types of care. For example, Great American requires a 30% co-payment from its insured for diagnostic imaging and surgical procedures.

Additionally, some insurers may cap the amount of reimbursement you will receive for certain services. Chartis, Great American and Markel all have caps on the amount they will pay for shock wave therapy (while The Hartford imposes a 50% co-pay). Others will merely provide coverage for such treatments up to the coverage limit of the policy.

THE DREADED "EXCLUSIONS."

An often-heard complaint about these policies is the many "exclusions," or situations, conditions or services for which the insurance company won't provide coverage. In

applying for major medical/surgical insurance you will be asked numerous questions about your horse's use and veterinary history.

It's imperative that you answer the questions on the insurance application carefully and honestly. Obviously, insurers won't cover a pre-existing condition nor will they cover a veterinary problem that you failed to disclose to them.

Some exclusions are clear, un-

equivocal and universal in the equine insurance business. A horse used for racing is one such example. However, other exclusions may fall into gray areas. Generally, "navicular disease/syndrome" is excluded from coverage. Some in the veterinary community maintain that there is no actual definition of these terms and that with improved diagnostic imaging, these labels are outdated and incorrect.

Coverages, Costs and Limits

Insurer	Coverage Limit	Added Premium*	Age Eligibility	Deductible	Diagnostic Co-Pay	Co-pay
Chartis www.chartisinsurance.com	\$2,500	\$160	6 mos. - 15 yrs.	\$325	100%	none
	\$5,000	\$190				
	\$7,500	\$240				
	\$10,000	\$340				
	\$12,500	\$450				
Great American www.greatamericaninsurancegroup.com 513-369-5000	\$10,000	\$150	30 days - 20 yrs.	\$250	70%	No co-pay for major medical
	\$15,000 Colic treatment and surgery	\$475				30% co-pay for surgery
	\$10,000 Surgery with general anesthesia	\$150				
The Hartford www.thehartford.com 860-547-5000	\$5,000	\$200	30 days - 18 yrs.	\$300	100% for xrays and ultrasound 50% for other diagnostic imaging	None
	\$7,500	\$340				
	\$10,000	\$450				
	\$15,000	\$675				
	\$10,000 with high deductible	\$300		\$1,500		
Markel www.horseinsurance.com 800-842-5017	\$5,000	\$279	30 days - 18 yrs.	\$375	70%	30%
	\$8,000	\$345				
	\$10,000	\$389				
	\$15,000	\$465		\$500		
American Equine Insurance Group www.americanequine.com 847-836-7787	\$7,500	\$275	6 mos. - 17 yrs.	\$300	100% after deductible is met	none
	\$10,000	\$400				
	\$5,500	\$150		none		

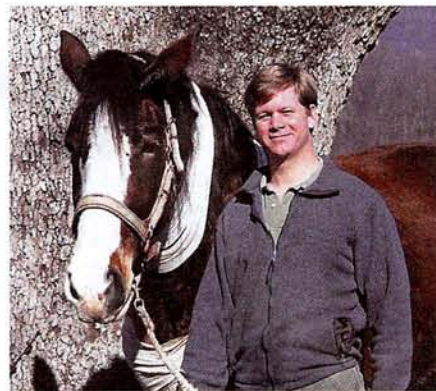
* Premium listed is for major medical coverage only. The company may require you purchase mortality and, possibly, colic coverage as well. See September 2012.

That said, a statement made in a veterinary report or on an application for major medical/surgical insurance that your horse has had some type of navicular problem may trigger exclusionary language being written into your policy or may result in the denial of a claim. Be honest, but careful.

If your insurer does include an exclusion in your policy contract, make sure that it is specific as to the exact veterinary problem and reasonable in terms of length of time the exclusion will be in effect.

In some cases, you can challenge the insurance company's exclusion with the help of your veterinarian and perhaps get the exclusion removed. (See our chart on page 6 for more common exclusions.)

WHAT YOU SHOULD DO. Given the various coverage limits, premiums, deductibles, co-pays and exclusions, it's clear that carefully reading and thoroughly understanding all the ins-and-outs of your policy is imperative. If you don't understand a term or condi-



Surgical costs include paying the veterinary clinic workers for post-op care.

Insurance Coverage Types

Full Mortality: Coverage for death as a result of an injury or illness, or loss due to theft. Colic surgery coverage, up to a certain maximum, is usually added. Full Mortality is the baseline insurance policy, which you need to purchase any added coverages. See September issue.

Major Medical and Surgical: As stated in this article, this covers medical and surgical procedures and diagnostics as a result of accident, illness, injury, or disease. There are usually multiple aggregate limits, an age window of qualified horses and deductibles.

Surgical Only: Helps cover operating room expenses and surgical aftercare. There is usually an age window for qualified horses.

Colic Only (Medical and Surgical): Coverage for the cost of colic, whether it be surgical or medical, and aftercare. There is usually a deductible and a limit to what the coverage will pay.

Equine Personal Liability: This policy will provide a defense for you in the event that a horse injures a third party or damages their property. We will discuss this in depth in our upcoming November issue.

Stallion Infertility: If a proven stallion becomes permanently incapable of settling mares in foal as a result of accident, sickness or disease, this coverage pays up to 100% of the insured value.

Full Loss of Use: If a horse becomes permanently unable to perform its insured use as a result of an accident, illness, injury or disease. Limited riding disciplines are covered. A veterinary exam and declaration is required as is proof that the horse was actively competing at the time of the event. Watch for fine print that may require you to surrender the horse to the insurance company.

External Injury Only Loss of Use: Coverage for when a horse is permanently unable to perform its insured use due to a visible injury. Usually only available for certain riding disciplines. The horse must be actively competing at the time of the injury with show records to prove it. Watch for fine print that may require you to surrender the horse to the insurance company.


Named Perils: Insurance that covers mortality from specific events, such as natural disasters (fire, flood, earthquake, lightning, etc.) and/or theft, building collapses, and death of the horse during transportation.

tion, or if wording in your policy is unclear, ask your agent for clarification until you do.

Notifying your insurance agent at the first signs of a medical/surgical problem is essential. In cases where your horse has become sick or injured after hours, call the after-hours number for your insurance company or underwriter, which they should provide to you with your policy. Failure to make timely notification may result in your claim later being denied.

Though reading an insurance contract and understanding the requirements can be a wonderful cure for insomnia, it's best done before your horse is in a crisis. If you board your horse, make sure your barn manager has your insurance information and the 24-hr. number to call if your horse becomes ill or injured when you are not available.

BOTTOM LINE. When you consider the often exorbitant expense of non-routine veterinary care, major medical/surgical insurance is worth the relatively small investment when you already carry mortality coverage.

It's critical that you understand your policy before you purchase it. Establish good communication with your agent and promptly notify the insurer when your horse is showing signs of illness or injury. Document your expenses with receipts and file claims promptly. When you have a horse in your life, this small fee can mean one less thing to keep you awake at night. 

Article by Contributing Writer Susan Quinn, Esq.

Veterinary Viewpoint:

Equine "Health" Insurance: A Critical Option

It can take finances out of the decision-making process.

As the U.S. economy continues to sputter, an increasing number of veterinarians are reporting that clients are asking about equine insurance. Is it worth it? How do you decide whether or not to insure your horse? For many veterinarians, insurance is regarded as a welcome friend because it provides options for horse owners during times of critical decision.

HEDGING THE BET. We all know that insurance is a numbers game, almost like gambling. The underwriter calculates risk and then provides a policy with specific coverage and premiums to mitigate loss should you, the policy holder, file a claim for your particular horse.

When exploring the option of insurance, horse owners consider factors such as available finances, the value and use of the horse, and the risks involved with that particular horse's lifestyle. If you base your decision to insure or not to insure on the risk of your horse having an accident, then it's a no-brainer. If there's any way to get injured or killed, a horse will find it!

Each insurance company offers different policies, so you must do your homework. Within each company, horses can qualify for several types of coverage depending on their circumstances (i.e. age, medical or lameness history, etc.). The most popular types of coverage include mortality insurance (which we covered in September), lameness insurance, major medical insurance, and colic insurance. A horse owner must decide which types of coverage will make them sleep better at night.

For instance, a beloved family pet that stands in the backyard and eats grass may not need lameness coverage because the chances of a bad meniscal tear or bowed tendon are less than for a grand prix jumper.

But, because the family children would be devastated if the horse colicked and died, major medical insurance with colic coverage may be a good choice. No two scenarios are the same, and each owner must decide what is best to suit his or her specific equestrian situation.

SO MUCH VARIETY. There is a wide variation in insurance policies for horses. Some companies are incredibly comprehensive and "open-minded" when working with veterinarians and owners on a case. Others are just plain disappointing. Some policies will pay a percentage of a colic surgery while others will pay a set amount.


Some policies will cover stem-cell and acoustic shockwave for a ligament injury while others will not pay for any of these therapies. If these are therapies you would consider for your horse, you need to know if they're covered or if you will need to foot the bill.

THE HOUR OF NEED. From a veterinary perspective, nothing is worse than having to euthanize a horse in distress (that could otherwise be saved) because owners do not have financial options available. For this reason, equine insurance can be a real blessing because it takes some of the stress and burden off of the owner when he or she is facing difficult decisions. Injuries and medical problems (especially colic) come on fast with most horses, leaving horse owners traumatized and under pressure to make a quick decision. Horse owners become a bit less frazzled when they know that they

don't need to factor in money when making emergency decisions. In a perfect world, the decisions made for the horse are based on doing what is best for him, not on what is financially possible. In real life, veterinarians try to support clients and respect that money is a justifiable factor in decision-making. But wouldn't it be a luxury to not have to make it be? That is where insurance can really pay off.

Even the most expensive insurance premiums pale in comparison to the cost of a ligament rehab (potentially thousands of dollars) or a colic (\$6,000 to \$8,000 in most cases). Even if a horse owner goes several years without filing a claim, once you do file a claim, all of the money spent plus some is likely to come back to you.

The average horse has a veterinary emergency once every two years, and many of these emergencies may be covered by insurance. From a veterinary point of view, equine insurance is well-regarded since it can provide much needed help during unexpected occurrences (which we have all experienced at one time or another).

IS IT WORTH IT? Well it's definitely worth the time to at least take a look, get some quotes and consider your finances. If you decide to purchase equine insurance, you may be thanking yourself when you're racing to the barn on a Saturday night to meet your vet for a colic. And when you get there, the vet may thank you for making the decision to insure your horse. 

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