



*From the Equine newsletter, January 1998*

## EQUINE INSURANCE

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"I'm sorry, but it looks as though your horse is going to need colic surgery." Those words strike terror in the hearts of most owners. Their concern lies not only in the severity of the condition/disease, but also in the costs of having a major surgery performed. However, if the horse is covered by insurance containing a major medical/surgical clause, the owner will likely not have to pay for more than the deductible specified by the policy.

There are a number of insurance companies that provide a variety of insurance policies for animals. Right now, most of these are designed for horses and other 'livestock' such as cattle, llamas, apalacas, ostriches, and emus. However, some companies are starting to offer policies for smaller pets such as dogs and cats.

The most basic type of insurance is mortality insurance, which insures the animal against death due to accident, injury, illness or disease. It also includes humane destruction (euthanasia) of an animal to relieve incurable and excessive suffering if caused by a covered peril. Theft and transportation is also often covered under this policy. Occasionally, colic surgery (up to a certain limit) is also covered. The annual premium for a basic mortality policy varies with the value of the horse but is often three to four percent of the value of the horse or a minimum of \$100.00. The value of the horse is based upon its use, age, breed, or predetermined value. If the horse is being insured for more than \$15,000, a veterinary examination will be required to obtain insurance. Mortality insurance is renewed annually. Many companies have a 30-day grace period for renewal.

Another popular type of insurance is a major medical/surgical policy, which can be carried in addition to the mortality policy described above. This insurance will cover the costs for reasonable medical and surgical treatment necessitated by accident, injury, illness, or disease. All treatments must be performed by a licensed veterinarian. These policies typically have a limit of \$5,000 or \$7,500 depending upon the company and the policy desired. The cost of these policies varies, but are typically \$85 to \$150 annually (above the cost of mortality insurance), usually have a \$200 deductible and are renewed annually. If your horse has major injury or a colic surgery, that particular injury or colic may be excluded in the following year's coverage. Race horses are excluded from this type of coverage by some companies.

Owners with valuable show horses may also want to consider insurance for accidental loss of use. This policy pays around 60% of the value of the animal if it is injured and becomes totally and permanently unfit for its intended use (but is not severe enough to warrant humane destruction). Loss of use insurance is carried in addition to a mortality policy and the premium cost is dependent upon the value of the animal.

Other insurance options available include stallion infertility insurance, barren mare insurance, and liability insurance for commercial horse operations, riding clubs, and horse shows. Premiums for these types of insurance would have to be obtained from the individual insurance companies.

When looking to purchase insurance for your animal, it is wise to shop around. Different companies not only have different rates, they have different exclusions, making it important to know exactly what is covered.