

Horse Insurance 101

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Let's face it, insurance falls way to the bottom of the list of topics any horse owner wants to talk about. Discussing worst case scenarios doesn't exactly make for enjoyable barn aisle or ringside small talk. Unfortunately, as in many areas of life, what you don't know can hurt you.

So without being too morbid, but in the interest of helping you protect your investments--following is some information that might help you consider putting "Get Horse Insurance" on your to-do list.

The Basics

The basic idea behind insurance is that you are paying a fee to an insurance company in order to transfer your risk of a possible loss to them, and the fee you are paying is significantly less than the amount the company has agreed to pay you in the event such a loss happens. So, if you cannot afford to replace your horse in the event of a loss, or even more important for many of us, if you cannot afford the costs of veterinary care in the event your horse suffers a serious illness or injury, insurance can be a cost effective way to mitigate your risk.

For many of us, our horses are best friends and family, and we absolutely do not want to be in a situation where financial considerations dictate the quality of care that we're able to provide. Or, even if you have the funds on hand to absorb these losses, you may still choose to invest a much smaller amount each year on insurance premiums so that you are not forced to tap into your savings if the unexpected happens.

The Experts

Deciding what coverage to purchase is quite important. While the basics are similar, the actual coverages vary depending on which insurance company provides it. The number of insurance companies in the U.S. that offer horse insurance policies barely reaches into the double digits, though the number of agencies (the organizations that you will usually work with to see about getting coverage) is far higher. Therefore the insurance agency you work with is very important.

It can be helpful if they have access to more than one company's programs so they have options to find a policy that fits you best, from both a cost and coverage standpoint. Look for someone who is willing to answer your questions promptly and clearly, responds to emails and voice mails in a timely manner, and will provide you with a binder as proof of coverage until the actual insurance policy is mailed to you. And most important--find an agent who is also an experienced horse person. They need to know combined driving from combined training, and OCD from EPM. You want someone who understands your passion.

Full Mortality Insurance

When it comes to horse insurance, there are several options. For the purposes of this blog, I will concentrate on the two most common: Full Mortality and Major Medical/Surgical. The equine Full Mortality policy is the equivalent of life insurance for your horse. It provides coverage in the event the insured horse dies during the policy period from a covered accident, injury, illness, or disease, and includes possible coverage for humane destruction, and usually has limited coverage

for theft.

Depending on the insurance company, Full Mortality coverage is available for horses ranging in age from 24 hours up to 20 years old. Premiums are based on the horse's age, breed, use, level, and insured value. The rates for Full Mortality coverage for the average pleasure or competition horse--uses that would include English/Western Show, Dressage, Hunter/Jumper, Cutting, Reining, Roping, Barrels--age 1-15 years, generally range from 2.9%-3.6% of the horse's insured value. So the Mortality premium for a horse in that age range insured at a value of \$10,000 would average between \$290 - \$360 a year. Rates for some uses, such as eventing, fox hunting, and endurance, are usually slightly higher, from 3.7% - 4.75%, so still reasonable.

Typically the Full Mortality policy also includes a free Emergency Colic Surgery endorsement (for horses without a colic history) of up to \$2,500-\$5,000, depending on the horse's insured value and the insurance company offering the coverage. Full Mortality coverage is very comprehensive, but exact coverage terms vary by company. Common exclusions (reasons that could cause a claim to be denied) include, but are not limited to: pre-existing conditions, purposely harming the horse, not utilizing the services of a licensed veterinarian, late reporting of a loss, not following company requirements with regard to a loss, and some pretty farfetched possibilities such as war, destruction of the horse due to government order, and nuclear radiation.

In addition, you must contact the insurance company immediately in the event of a loss, and follow their instructions with regard to the submission of paperwork and the possibility of the need for a necropsy, the cost of which would **not** be reimbursed.

Major Medical/Surgical

This is the most popular coverage that horseowners add by endorsement to their Full Mortality policy, and is not available on a standalone basis. It helps reimburse for covered veterinary expenses (medical and/or surgical) in the event the horse suffers a covered accident, injury, illness, or disease during the policy period. For as little as an additional \$200 annual premium (depending on the insurance company), the endorsement can provide for a limit of \$5,000 for the policy period, with deductibles as low as \$300 per claim. Higher limits of \$7,500, \$10,000, \$12,500 and \$15,000 are also available with many companies, with varying deductibles, and annual premiums ranging from \$300 to \$675 or higher.

Major Medical/Surgical does not provide for routine health maintenance or preventative care such as vaccinations, deworming, dental or farrier care. Other common exclusions (though this is not an exhaustive list) include: pre-existing conditions, elective or cosmetic surgery, performance enhancing treatments, joint injections, integrative therapies (such as chiropractic, massage and acupuncture), the veterinarian's call charge, or transportation costs.

So if your horse colics, founders, runs through a fence, gets kicked, develops a lameness, or suffers many of the other countless injuries or illnesses that can keep you up at night, Major Medical/Surgical should help reimburse for covered expenses after the deductible is met. The actual coverage details vary depending on the insurance company, so it's a good idea to educate yourself about exclusions, co-pays or co-insurance (especially for diagnostic tests, and treatments such as shock wave and regenerative therapies), treatment time limits, and extension periods.

Think your horse wouldn't be a candidate for Major Medical/Surgical because he is used for just pleasure and/or you only paid a couple hundred or a couple thousand dollars for him? While some companies will not offer the coverage on lower valued horses, there are a few that do not have restrictions on the amount of Major Medical/Surgical coverage they will offer, regardless of the

horse's insured value on the Full Mortality policy, and Broadstone is happy to represent one of those companies.

For more information on Full Mortality and Major Medical/Surgical coverages, go to the Broadstone [Protect Your Horse](#), [FAQs](#), and [Get a Quote](#) pages.

Caveat Emptor

A few "let the buyer beware" items for consideration. Horse insurance is very different from human health insurance. For example, pre-existing conditions are not covered, even if the horse was insured when it first contracted the disease or condition. So, if for example your horse develops a lameness or requires colic surgery while he's insured, expect to see an exclusion for that health issue on the next year's policy when you renew. This is because the policies are reviewed and underwritten each year, therefore the condition would be considered pre-existing and therefore excluded on the new policy.

That being said, there are typically extension periods built into the policy for issues that continue beyond the policy's expiration. Also, as mentioned earlier, it is very important that you contact the insurance company as soon as a health issue presents itself. The policy requires it, and you could jeopardize your coverage if you fail to promptly report the issue. It is also in your best interest to do so because the claims adjuster can explain your coverage in detail so you can work with your vet and make a plan with that information in mind.

Something to Think About

There is no doubt that pondering all the worst case scenarios of horse ownership is uncomfortable at best, nightmare inducing at worst, which is another reason to consider insurance. Knowing that you're covered in case of the unthinkable buys you more than financial security. It also gives your peace of mind.

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