



Notes on Insurance

These notes have been prepared to assist owners in understanding the various types of insurance cover that are available for their horses in the interests of improving the health and welfare of horses and ponies.

Purpose of Insurance- The purpose of any insurance cover is to protect the policyholder against unexpected loss. With horses this loss may take various forms including accidental injury, death, veterinary treatment or injury to third parties. There are many types of policy cover available and these greatly vary from company to company. As a general rule the owner gets what they pay for and the difference in premiums charged by the insurers usually reflects the widely differing levels of cover. It is, of course, the responsibility of the owner to ensure that the cover that they take out is adequate for their needs. If in doubt you should consult your independent insurance broker or obtain several quotations and compare the levels of cover offered.

Specific Types of Cover:

Third Party Insurance- This will cover the horse against claims resulting from injury to other persons' or property. For example, if your horse breaks out of a field and causes a car crash or if your pony kicks a child in the livery yard at which he is stabled then the owners of the car or the parents of the child can potentially sue you for damages. If this was the case these claims would be covered by a third party insurance policy. This level of insurance is considered absolutely essential for all animal owners and may well be provided by your own household insurance cover. However, owners of horses and ponies are strongly urged to ensure that they are fully covered in this respect as personal injury claims could mount to several millions of pounds.

All Risks Mortality - This covers the horse against claims for the value of the individual in case of death by disease or accident. It is a limited form of insurance and does not normally, for example, cover the loss of a horse after prolonged treatment. Policies vary but in essence the horse is only covered if it is found dead or if it has to be humanely destroyed as a matter of emergency due to an excessive and incurable condition. Owners must be aware that this is a very limited form of insurance.

Veterinary Fees Cover- This cover will reimburse the owner for non-routine veterinary treatment. The amount of cover available for each incident will depend on the specific policy and is designed to provide cover for the unexpected costs of treatment following disease, accident or injury. Owners should be aware that the total available under even the better policies may not be enough to cover the worst possible scenario, for example a major colic surgery or repair of a fractured leg. Without such insurance cover or with inadequate levels of cover an unfortunate owner might find that they were unable to pay for major treatment or surgery. This might mean they have to have a horse put to sleep that might otherwise have been saved by treatment. Current figures would suggest that it is prudent to insure your horse or pony for up to £5,000 per incident to cover all the forms of major treatment available. Limited cover for only a few hundred pounds or even £1-2,000 will not, in the event of a more serious condition, provide the cover that you hope for. Taking out such cover enables your horse to benefit from the major advances in veterinary medicine and surgery that have been made over the last few decades, but do be aware that different companies have different cover.

Loss by Theft or Straying- This cover applies to these limited circumstances.

Theft of Saddlery, Tack and Horse Boxes- Additional cover is available against these losses but is outside the scope of this leaflet.

Loss of Use Cover- This cover provides you for reimbursement of your loss if your horse is no longer able to perform its stated insured use following accident, illness or disease. Strictly speaking, there are at least two forms of loss of use cover currently available and owners should be clear in their own mind which they require before they take out an insurance policy. The cheaper form does not provide the same level of cover as the more comprehensive type of policy.

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Full loss of use cover provides protection against the effects of any accident, illness or disease leading to your horse becoming permanently unable to carry out the previously agreed roles for which you have insured him. These policies will offer you varying amounts of his total insured value if the horse is no longer able to, for example, event but may still be able to hack satisfactorily. "Proving" a loss of use claim may not be easy.

Limited form of loss of use cover, which should perhaps be more accurately known as accidental incapacity insurance, provides cover for loss of use following external accidental injury only. Owners should be certain in advance that they require only this limited form of cover.

Who should insure?

All owners of horses and ponies have a responsibility to look after them both when healthy and when ill. However, only a few of us have the necessary financial resources to cover the full cost of any loss that might result from accident, injury or disease. Therefore the majority of owners should protect themselves and their horses by taking out adequate insurance cover. Indeed the provision of such cover should be considered part of the normal "running costs" of keeping a horse and those who cannot afford to insure should consider whether they should in fact continue to own their horse and pony. If they cannot afford to provide treatment then it may, regrettably, either suffer and/or have to be put down prematurely.



It is a condition of all insurers that any horse that is the subject of a loss of use claim will be positively identified by a freeze brand which is a white "L" within a circle.



When should you insure?

If you do not already own the horse then it is sensible to decide on the type of cover you need and choose the particular policy before you actually purchase the horse, as most policies only cover accidental injury for an initial period. It is always a wise and cost efficient decision to ask an experienced veterinary surgeon to examine the horse prior to purchase and to advise you as to your chosen horse's suitability for your particular use. This form of examination may also be very useful when proposing your horse for insurance cover. Do be aware, however, that it is perfectly possible that a horse may "pass" a vetting yet an insurance company may make various exclusions on the cover available, due to pre-existing conditions. If in any doubt you are strongly advised to obtain satisfactory insurance cover before purchasing your horse.

It is worth noting that horse insurance policies run for one year and if renewed are a separate contract. Unlike medical insurance they do not run automatically for the life of the horse.

Your insurance cover for your horse is a legal contract between you, the proposer, and the insurance company. It is based on the fact that all known facts have been declared and your policy may be invalidated if you do not disclose all pertinent facts that you know or should have known before you insure. If in any doubt it is wise policy to discuss any matters that may be relevant before you take out the policy. Further information should be available from either your insurance broker or from the individual insurance companies concerned.

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When and how should you make a claim?

It is your duty as a policy holder to inform the insurance company as soon as possible that your horse has been injured, lost or is suffering from an illness or disease. Once notified varying insurance companies may initiate different procedures but they will all ask you to show that you have actually sustained a loss (i.e. documentary evidence of veterinary fees already paid) and they will ask you and your veterinary surgeon to complete an appropriate claim form.

You should note that the insured policy holder is only covered for a loss already sustained and legally cannot therefore claim for, for example, veterinary fees that have not yet been paid. However most insurance companies will, with prior notification, work together with the insured to minimise the distress and inconvenience of any loss.



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