Equine Insurance Explained

What does equine insurance cover, and how much does it cost? Here's what you need to know before you set out to shop for a policy. By **Katie Navarra**

YOU'RE FAMILIAR, surely, with the general concept of insurance. Insurance policies are designed to protect your investments and to defray the costs associated with personal injury or illness; theft; accidents; and in the most extreme cases, loss of life. It's likely that you have health insurance and life insurance, as well as policies to cover your home, property, and vehicles. And if you operate a business, you probably have liability insurance, too.

With all the policies you have to protect your health and possessions, have you ever considered insuring your horse? Insurance can provide peace of mind during the most stressful situations. Should your horse die unexpectedly, be stolen, or become injured or no longer able to perform his intended purpose, an insurance policy eases the financial burden and allows you to concentrate on the situation at hand.

If you're ready to pursue insurance for your horse, read on to learn which types of coverage are available, what they cost, and which may be a good fit for you.

Mortality/Theft

A mortality/theft policy provides the most basic coverage and is required before additional coverage can be purchased.

Recently purchased horses can only be insured for the purchase price; however, after a horse has proven to be more valuable through accumulated earnings, a show record, breeding income, and/or training expenses, the horse's insured value can be adjusted.

If the horse dies or is stolen while insured, you're reimbursed for the insured value of the horse. Death due to intentional neglect or abuse isn't covered. Other exclusions may apply, depending on your policy.

Before purchasing a mortality/theft policy, you'll need to decide if you want limited or full coverage. Limited coverage has exclusions, whereas full coverage is comprehensive and not only includes death due to acts of God (lightning strike, for example), but also covers humane destruction and other causes.

While the annual premium is based on a percentage of your horse's estimated value, insurance companies have established minimum policy prices that vary from $150 to $250. (Note: Many companies now offer up to $3,000 of colic coverage as part of the mortality/theft policy.) →

You protect your horse from the elements, but what about from other risks? The various kinds of equine insurance offer protection for your investment.

Photo by Jennifer Paulson

Coverages and Costs, Compared

Use the chart below to determine which level of coverage could be right for your horse.

If Your Horse Is	Horse's Estimated Value	Coverages	Costs
A recreational riding companion, up to age 14.	Up to $1,500.	Mortality/theft and major medical.	Mortality/theft $150 to $250, plus major medical, $5,000 limit, $250.
A youth or amateur's show horse in 4-H, open, and regional shows, up to age 14.	$900 to $4,000.	Mortality/theft and major medical.	Mortality/theft $150 to $250, plus major medical, $5,000 limit, $200; $7,500 limit, $340; $10,000 limit, $450.
High-performance horse (such as a reiner, cutter, or Western pleasure horse), up to age 14.	$10,000 to $40,000.	Mortality/theft, major medical, loss of use.	Mortality/theft $300 to $1,300, plus major medical, $5,000 limit, $200; $7,500 limit, $340; $10,000 limit, $450; plus limited loss of use, add'l 2.25%; full loss of use, add'l 3%.
A breeding stallion, up to age 14.	$10,000 to $40,000.	Mortality/theft, major medical, Accident Sickness Disease (ASD).	Mortality/theft $325 to $13,000, plus major medical, $5,000 limit, $200; $7,500 limit, $340; $10,000 limit, $450, plus ASD, add'l 1%.
A broodmare, up to age 14.	$10,000 to $40,000.	Mortality/theft, major medical.	Mortality/theft $325 to $13,000, plus major medical, $5,000 limit, $200; $7,500 limit, $340; $10,000 limit, $450.
A senior pasture ornament.		Types and availability depend on age; ages 18 to 20 are typically the caps.	Increase significantly each year after age 14. For most accurate estimate, contact companies for quotes.

Major Medical

The rising costs of veterinary care for lameness, injury, and colic treatment can leave uninsured horse owners with a major dilemma—one that could force them to choose euthanasia because they can't afford the care their horse requires.

Major medical coverage can ease the financial burden and help you avoid making that difficult choice. As noted above, you horse must first be covered under a mortality/theft policy to be eligible for major medical coverage.

Premiums are determined by the policy limit you select. A major medical policy with a $5,000 limit averages $200 annually. A $7,500 limit is around $340 annually; $10,000 is close to $450 a year, and a $15,000 limit is approximately $675. According to Colorado State University, the majority of its colic patients go home with a bill of $3,500 to $5,500; in a complicated case, expenses can be several thousand dollars more.

Once your horse is insured for major medical, you're required to provide any

The Basics

Annual premiums are based on a percentage of your horse's estimated value. The percentage ranges from 2.99% to 7.25% and is determined by your horse's age and discipline. Western pleasure horses, reiners, and cutting horses tend to range from 2.99% to 3.25%, whereas rodeo horses can be as high as 7.25%.

Horses 30 days old through 14 years of age are eligible for insurance. Once a horse reaches age 15, rates significantly increase each year until the horse is no longer eligible for insurance. Depending on the company, a horse may only be eligible for insurance to age 18, whereas other companies may continue to insure a horse through his 20th year.

Unlike with homeowner's and auto insurance policies, a claim made against your equine insurance doesn't increase your premium.

Should you ever have to submit a claim, the circumstances may be stressful. Prepare in advance by maintaining a file that includes your insurance policy, plus the horse's bill of sale, show records, and expenses associated with training or lessons.

Insurance to Consider

Members of USRider, a roadside-services protection program tailored to horse owners (**USRider.org**), can opt to add equine coverages through the company's Equine Protection Plus program. (USRider is owned by *H&R*'s parent company, Active Interest Media.) Protection Plus offers mortality/theft and major medical, and is underwritten and administered through Markel. Two coverage plans are available, depending on whether your horse has a clean health history or has previously existing conditions.

care necessary to save the horse. If your horse is faced with colic surgery and you opt not to put the horse through the stress of surgery, choosing to euthanize instead, the company isn't obligated to pay on the policy. If all means are taken to save the horse and the horse doesn't survive, then you'll be paid on the policy.

All major medical policies have deductibles. On average, deductibles are $300, though may vary from one company to another. Pre-existing conditions, elective surgeries, and routine veterinary care such as immunizations aren't covered.

Accident Sickness Disease (ASD) ASD insurance covers investment in breeding stallions. Should your stallion lose his ability to breed due to accident, sickness, or disease, the policy compensates you for the stallion's insured value.

Before coverage begins, you'll be required to demonstrate the horse's viability as a stallion, including that he's settled mares in at least one breeding season. A semen evaluation by your veterinarian also is required.

In the event that your stallion is no longer able to breed and you submit a claim to be paid for his insured value, the insurance company will require the horse to be gelded.

Loss-of-Use

Depending on your horse's performance level, loss of use could make sense for you. Loss-of-use policies tend to be reserved for performance horses competing at the highest levels of competition for their discipline, such as reining, Western pleasure, or cutting. You aren't likely to be able to obtain loss-of-use coverage for your recreational riding horse.

Two types are available: accidental (limited loss) and full loss.

Accidental or limited loss insurance pays a percentage of the horse's total value in the event an accident leaves the horse unable to perform his intended use.

Full loss insurance covers a percentage of your horse's value in the event of an accident or internal injury, including OCD (osteochondritis dissecans) or navicular disease, prevent your horse from performing his intended use. □

The editors thank Georgia Walker from Integrity Midwest Insurance, LLC, for contributing expertise to this article.

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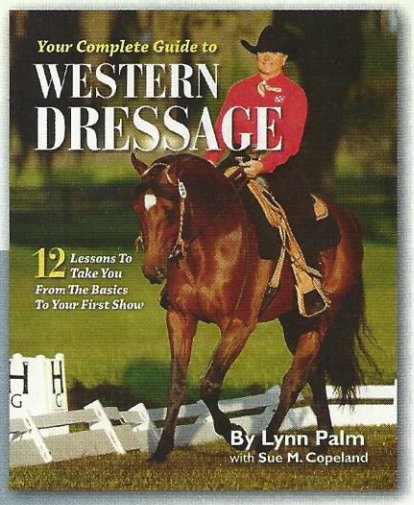

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