

## Insurance - do I need it?



**Horse and pony ownership is a costly business and carries with it a weight of responsibility whether your involvement is purely pleasure, is competitive or is commercial. You may own a livery yard, riding stables or stud.**

**Insurance is a service. It exists to help protect you, the owner, against the unpredictable costs that can be associated with ownership. Insurance companies are not charities, they aim to make a profit and therefore to insure your horse or pony will cost you money - it is up to you to weigh up the advantages and disadvantages of insurance and make the decision whether or not to purchase it.**

### Who takes out insurance?

Approximately 50% of all leisure horses are insured. Of these, approximately one-third will make a claim in any one year and, as the general public become more aware of the advantages of insurance, this number is growing.

### So what does insurance cover me for?

Most insurance companies allow you to choose the cover you buy. However, to the inexperienced this can prove to be a minefield and it is essential to make sure that your options are explained to you fully and that you understand them. Remember, it is in the insurer's best interest to make sure they cover your needs. So if you don't understand anything, ask again!

#### 1. Veterinary fees

The most common reason to claim on equine insurance, though not necessarily the most costly, is for veterinary fees. When your horse falls ill or is injured, discovering exactly what is wrong can be a drawn out process. Horses, unlike humans, cannot say what is wrong and therefore methodical means of determining what hurts, where an infection is sited, or why a horse is not eating are the tools a vet will have to use. Veterinary medicine is expensive and if you do not have the means to pay an unexpected bill of up to several thousand pounds for an emergency surgery or lameness investigation, you may be faced with the unpalatable decision of whether or not to have your horse destroyed.

#### 2. Total loss cover

This term is not to be confused with permanent loss of use. Total loss refers to either the death of your horse or to its physical disappearance, whether by theft or straying. In these circumstances this insurance benefit will repay you the full market value of your animal.

#### 3. Third party liability

If you consider no other insurance cover, you should treat third party liability as essential. Horses are large and sometimes potentially dangerous animals. We all know that horses can kick out, whether at a person or a passing car. However, did you know that you could face being taken to court and face damages running into thousands of pounds if you are found legally liable? In any situation where a third party is injured (or worse) or their property is damaged, they can look for financial compensation. Taking out insurance cover to protect yourself against this risk is very inexpensive and it is not a benefit that should be considered optional.

#### 4. Personal accident and dental cover

Most insurance companies will offer these benefits to protect anyone who is riding or handling your horse, not just you, the owner. Cover is usually for permanent disability, or death - it is not a glorified health plan.

Benefits in addition to those listed above will suit some owners more than others and these can be chosen to suit your needs. They include options such as saddlery and tack cover; permanent loss of use; disposal and cover for your trailer or horse-drawn vehicle.

#### 5. Permanent loss of use

Loss of use cover probably causes more confusion than any other area of horse insurance both at the time

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of purchasing insurance and, more importantly, when a potential claim arises. This is usually due to a misunderstanding of the benefit.

In very basic terms this area of cover exists to protect you if your horse were to suffer an injury or illness so severe that it will never be able to participate in the activity it is insured for again. For example, if an advanced eventer has an accident resulting in severe tendon damage or a dressage horse develops degenerative joint disease (DJD), and the attending vet advises that full recovery is unlikely, then the policyholder would have a valid reason to make a claim which would be assessed under the relevant terms and conditions for this section.

The important thing to remember is that the disability has to be permanent and it has to prevent the horse from doing an activity that it is insured for. For this reason, claims under this section may take many months to settle, as it may not be clear from the initial onset of the illness or injury whether the horse will recover.

### What costs are not covered?

Regardless of which benefits you choose to insure your horse for, you may have to claim on any one of them. You should expect to pay an excess of between £90 and £150 as you would, for example, on your car insurance. This excess is designed to prevent policyholders claiming for very minor conditions and it should be remembered that this helps to keep your annual premium down.

As mentioned before, insurance covers you for the **UNPREDICTABLE**. No insurer will, or can be expected to, cover costs relating to any illness or treatment of an injury which occurred prior to the date a policy was first taken out.

If your horse is unfortunate enough to require a stay in a veterinary hospital you may find that part or all of the 'hospitalisation' costs are deducted from your claim settlement. This is because the insurance company will regard certain daily costs to be the 'routine' costs of owning a horse and therefore they are 'foreseeable' or 'predictable'.

### So how do I know which company to choose?

When purchasing insurance for the first time it is important to take the time to talk to several companies - ask each about the cover they can offer you and ask them to send a quote. Once you receive this it is important to read all the documents with care to ensure that the proposed policy is appropriate for you and your horse. You may find that some companies provide benefits that suit one horse better than another. If possible, ask friends and other horse owners about their experience of insurance companies. The policies they have bought and the standard of service they receive will tell you a lot about the companies that you may be considering.

### How much will it cost me?

It is impossible to put a figure on the cost of insurance as premiums depend on many factors. Most companies will calculate a premium based on how much your horse is worth (were you to sell it), its age, what activities you use it for (eg hacking, dressage, eventing, hunting and so on) and what cover you require. Equine insurance is a competitive market with many companies offering similar products, so it may pay to shop around. Nevertheless, remember that the cheapest company is not always the best value for money: a company may haggle over the cost of treatment, or delay payment on legitimate claims. Ask your vet about the claims settlement history of your preferred insurance company before signing up.

**If you want any other information on health issues concerning your horse please contact Hampden Veterinary Hospital on 01296 423666 and we will be happy to advise you.**