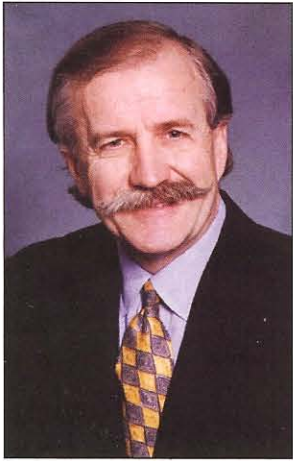


trainer insurance needs



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IF YOU TRAIN HORSES FOR A LIVING YOU WILL NEED INSURANCE TO PROTECT YOUR assets. Moreover, you will need more than one type of insurance to be properly covered. The following kinds of insurance are usually available through an insurance broker who deals with equine insurance.

Commercial Liability Insurance

Commercial liability insurance is probably the most basic and valuable insurance. It covers most liability claims arising from acts of negligence in the course of your business. The reason it is so valuable is because it will typically defend and indemnify you for the alleged acts of negligence. In plain English, this means the insurance company will provide you with an attorney to defend you in any lawsuit and will pay for any settlement or judgment entered against you for the acts or omissions arising from your business. Of course the amount the insurance company is obligated to pay is limited to the amount of insurance coverage purchased.

Even if you train out of a facility owned by someone else, it is wise to carry commercial liability insurance because your acts of negligence may not be covered by the facility's coverage. Or, even if they are, the insurance company may file a claim against you for any money they paid for claims arising from your negligence. Many facilities require resident trainers to purchase their own insurance and name the facility and its owners as additional insureds.

Care, Custody and Control (CCC) Insurance

CCC insurance provides coverage for injuries to or death of clients' horses in your care. Since the limits are typically relatively low, it is a good idea to require your customers to carry their own mortality insurance. This is particularly important if the horses you are training are especially valuable.

Even if you train in a facility that carries its own CCC coverage, it is wise to carry your own coverage. This is true because as discussed above, the facility's insurance company will look to you for reimbursement if it pays a claim arising from your negligence.

Equine Mortality, Major Medical and Loss of Use

Since CCC coverage only applies to your customer's horses, you may want to purchase mortality, major medical and loss of use coverage for horses owned by you. Whether it makes sense to purchase this coverage will depend on your ability to absorb the financial strain caused by the death or injury of one of your personal horses. The more valuable the horse, the more it would make sense to have this coverage. As to the loss of use coverage, it may be most appropriate involving breeding stallions or particularly valuable broodmares.

Farm or Ranch Insurance

This coverage may be part of a commercial policy, or it may be a stand alone policy. It usually covers claims for losses of property caused by fire, theft or other calamity. It can cover your personal property or your customer's property, as long as the policy is underwritten as such.

Commercial Truck/Trailer Insurance

Obviously, you will need to insure your vehicles, including horse trailers. Liability coverage is mandated in most states, but collision coverage is not. However, if the truck or trailer is either leased or financed, the bank or finance company will usually require certain defined limits of coverage. Be aware however that this type of insurance will not cover the contents of the truck or trailer. Specifically, the value of any horses, saddles and other tack would be covered, if at all, by another insurance policy.

Be aware that most homeowner's policies will not provide coverage for business activities. If you are a part time or small trainer working out a barn on your personal residence/farm do not assume you are covered. Check with your insurance agent or broker to confirm coverage for your activities.

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