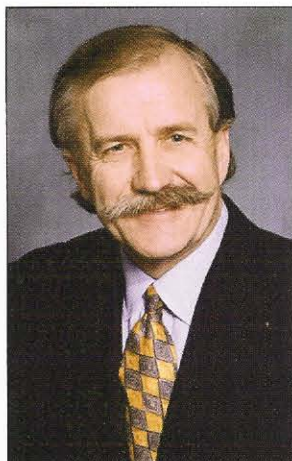


# equine mortality insurance



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**I**T IS FAIRLY COMMON NOWADAYS TO HAVE SHOW HORSES VALUED IN THE TENS of thousands of dollars. And it is no longer uncommon to have some of the top show horses sell for hundreds of thousands of dollars. Some of the premier breeding stallions are even appraised in the millions of dollars. Given the large sums of money invested in these horses, it is only natural that horsemen want to minimize the risks involved in owning these sometimes fragile animals. Equine mortality insurance can be part of the risk management.

Horses can be insured for various risks, but you need to know what the risks are and what the insurance policy covers. It is best to discuss your needs with an insurance agent experienced in equine matters because not all insurance policies are alike. Also, virtually every insurance policy has exceptions and exclusions. Although it may be a daunting task for many individuals, it would be wise to actually read the policy so it is known which risks are insured and which are not.

Generally speaking, Full Equine Mortality Insurance is a life insurance policy on the life of your horse, with you as beneficiary. It is sometimes referred to as an "All Risk" policy that covers death from any cause, except those specific exclusions stated in the policy. Very often the policy will also cover theft of the horse.

Depending on the language of the policy, the insurance company will usually be obligated to pay the actual value of the horse at the time of the accident or illness causing death, not exceeding the value specified in the policy. Some policies will extend the policy for a specific period of time (often 90 days) if the horse is reported sick or injured to the insurance company before the expiration of the policy but dies thereafter.

Very often Equine Mortality Insurance policies offer optional endorsements for additional premiums. They include the following:

**Major Medical**—This endorsement covers veterinary bills for major illnesses or disease. There is typically a deductible for each claim as well as a dollar limit per animal per year.

**Surgical**—Provides for the cost of surgery, including anesthesia, lab tests, x-rays, and routine follow up care. Again, there will be a deductible for each claim as well as a dollar limit per animal per year.

**Loss of Use**—If the insured horse becomes totally and permanently incapable of fulfilling the function for which it is used, as defined in the policy, but its condition does not warrant destruction, the insurance company will pay a predetermined percentage of the value of the horse, depending on whether you keep the horse or whether the insurance company takes possession of the horse.

In most instances the insurance value of your horse is determined by the purchase price. However other factors can affect the value. Most notably, insurance value may increase based on its subsequent performance level or success of its offspring. Nevertheless, keep in mind that policies are almost always written on an "Actual Cash Value" basis. In other words, in the event of a claim, the value of your horse will be determined by the fair market value of the horse, not upon your subjective loss or sentimental value of the horse.

The rates and premiums for the above insurance coverages are typically based on the use, age, breed and sex of the equine. Also, most insurance companies require some form of veterinary examination to bind the policy.

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