



# Veterinary Surgeon's guide to Riding & Sport Horse Insurance

These guidelines are designed to assist veterinary surgeons in understanding the requirements and issues relating to equine insurance. Please note this is a general guide and policy Terms and Conditions will vary from company to company.

This document has been created jointly by leading equine insurance providers and the British Equine Veterinary Association.

In all emergency and critical situations the welfare of the horse should be the primary consideration and appropriate action or treatment should be carried out in consultation with the owner.

## Responsibilities - relating to an insured horse

- **The veterinary surgeon**  
Has a responsibility to the horse, regardless of whether or not it is insured.
- **The owner**  
Is responsible for the welfare of the horse and must also ensure that the Terms and Conditions of the insurance policy are adhered to.
- **The insurer**  
Must ensure that the policy clearly details the extent and limitations of the cover. They must also fairly interpret the policy Terms and Conditions.
- **Policy period**  
Equine policies are normally 12-month contracts offering insurance for the specified risks detailed in the policy schedule. At the end of the policy period the insurance provider may offer a new 12 month contract which will need to take into account any changes in the horse's condition or value and may exclude any condition that occurred during the previous policy period. Underwriters are not obliged to offer renewal; similarly the insured horse owner is not obliged to accept renewal terms offered and can choose to find an alternative provider.



- **Disclosure**  
An insurance contract is based upon the information the client provides in answer to questions asked by insurers when arranging cover. Insurers will ask questions about facts they want to know. It is important that the Insured (with information supplied by their veterinary adviser if necessary) provides full and complete information in response to all the questions they are asked relating to the risk they wish to insure, so that in the event of a loss covered by the policy, the claim is paid. An example of complete disclosure is upon request supplying clinical history or records in full without selection.
- **Policy extension**  
If a claim is made under a policy for a specific incident or condition the cover will normally extend for 12 months from the date of onset of the problem. Having fulfilled the policy terms, there is no further obligation to provide ongoing cover (also see Permanent Loss of Use guidelines).
- **Pre-existing conditions and exclusions**  
By definition pre-existing conditions are not covered by the policy. Underwriters may choose not to exclude a specific problem if they consider the risk insignificant but are under no obligation to accept cover on pre-existing conditions and can choose their own terms under which they are willing to provide insurance when the risk is abnormal. Often specific conditions known by all parties are detailed as excluded on the policy schedule. However just because a pre-existing condition is not specifically excluded it does not mean that it is therefore included. It is important to realise that if the owner chooses to buy a horse with pre-existing problems they will have to accept the risk for these issues themselves and not expect the insurer to provide cover. The wording of the exclusion will normally be based on the advice received on the Veterinary Certificate or on a claim form and every attempt is made to ensure that this is fair and reasonable. The insured's veterinary surgeon can offer an opinion on the significance of any condition and on an exclusion on the policy, but it is the insurer who will decide whether to exclude or include a specific risk.



### Main types of cover available:

- a. Veterinary Fees
- b. Death (All Risks of Mortality)
- c. Permanent Loss of Use

Other cover may be included in the policy for Theft, Public Liability, Personal Accident, Tack or Trailers.



### a. Veterinary Fees cover

Pays for non-routine vets bills after the deduction of an excess per incident. This is probably the area where the cover varies most from company to company and policy to policy. The cost of this cover will increase as the demands on the horse increase, for example Veterinary Fees for an intermediate eventer will be more expensive than those for a pleasure hack. Some companies offer a variety of different levels of Veterinary Fees cover to suit all budgets. No policy will pick up all the costs and some policies may have restrictions on diagnostics or alternative/complementary treatment and others may exclude cover for all incidents other than those caused by accidental external and visible injury. It is common for "veteran" cover to be restricted in this way; the age at which a horse is considered "veteran" will vary between companies.

Most cover is limited to a finite amount of £3,000 and £5,000 per incident. The definition of an incident will vary from company to company but is not normally based on each diagnosed condition. It is considered to be an onset of symptoms (Proximate cause\*) e.g. onset of lameness/illness or an accident occurs – all conditions diagnosed or related to this occurrence/onset of symptoms, whether immediately or on subsequent investigations is considered to be one claimable incident under the policy.

**\*Proximate cause:** The first event in the chain of events that gives rise to a claim."

Details and an estimate of the cost of proposed treatment should be given to the client prior to treatment, as per the RCVS code of practice, so that they can check with their insurers that the condition itself is actually covered and that there are no exclusions on particular diagnostics or treatments. In the event of the quote for treatment exceeding the cover limit the insured will need to fund any extra. It is appreciated that in emergency situations it is not always practicable to provide a quote.

A referral, surgery or complementary treatment may necessitate the owner obtaining prior approval from the insurers and the client should make contact at the earliest opportunity. After initial contact by phone, details of the surgery/treatment or where the horse is to be referred along with current case history should be submitted to the insurers in writing (fax/letter or e-mail).

From a practising veterinary surgeons' point of view getting paid is most important. Frequently insurers pay the practice direct less the excess and uninsured costs, although the insurer is only contractually obliged to settle the claim with the policyholder. It is not uncommon for the client to be paid by the insurer and then not pay the vet. From the insurers perspective once they have settled the claim with the policyholder they have fulfilled their contractual obligations. However, on the basis that if the client has no loss there can be no claim some insurers will assist in this situation, and can argue that the policyholder's claim is only valid once they have paid the practice bill. Vets can get clients to sign an agreement that their claims monies will be paid direct to the vet and most insurers are happy to do this, but they are not obliged to follow this course.

Any discounts that a client normally qualifies for must be applied to the treatment costs regardless of insurance. Charging insured clients a higher amount than uninsured clients would be ethically unacceptable.

Equine insurance has been recognised as being of mutual benefit to horse owners and the veterinary profession enabling the most appropriate diagnosis techniques and effective treatment to animals regardless of the owner's ability to pay at the time of need.

However it should be appreciated that affordable premiums are in the interests of all parties and to the welfare of the animal. Premiums directly reflect claims and a balance between the costs of the investigation and treatment chosen by the veterinary surgeon and owner and the essential needs of the animals are just as relevant for an insured horse as an uninsured animal.



## **b. Death cover - All Risks of Mortality (ARM)**

### **BEVA and Insurer Guidelines for the destruction of a horse with insurance cover**

These guidelines apply to the intentional euthanasia (i.e. destruction on humane grounds), of a horse with insurance cover for mortality. They do not refer to uninsured horses, or when an owner wishes to have a horse destroyed for economic reasons. They do not apply to Permanent Loss of Use, which is a separate benefit with entirely different procedures.

#### **1. Basic principle**

As a guide BEVA and insurance underwriters consider that an affected horse will need to meet the following requirements to satisfy a claim under mortality insurance.

**That the insured horse sustains an injury or manifests an illness or disease that is so severe as to warrant immediate destruction to relieve incurable and excessive pain and that no other options of treatment are available to that horse at that time**

Where a horse is exhibiting signs of severe and unremitting pain that can no longer be managed so that no other options are available for treatment, then it is the veterinary surgeon's responsibility to advise the owner to make arrangements to have the horse put down immediately. This essentially is to cover the emergency situation.

In all other cases, (that is where the horse can be provided with effective pain relief, if relevant), the insurer should be contacted to give their prior agreement or to allow a second opinion to be given by their consulting veterinary surgeon. If after seeking the consent of the insurer, the attending vet and the consulting vet cannot reach an agreement, the owner may agree with the insurance company to seek a third independent veterinary opinion or by following the Complaints Procedure as set out in the policy Terms and Conditions

#### **2. Following destruction**

Most policies require an appropriate post-mortem unless otherwise agreed by the insurer. Owners should be reminded of this, and it is advised that the owner contacts the insurer to see if it is required before the carcass is disposed of. If when asked the insurer does not request a post-mortem, the attending veterinary surgeon should positively identify the carcass and confirm the reason for destruction.

#### **3. Responsibilities**

The veterinary surgeon's responsibility is to the horse, regardless of whether or not it is insured for death or destruction on humane grounds. It is the owner's responsibility to ensure that the Terms and Conditions of the insurance policy are adhered to.

#### **4. The insurer's decision to pay the claim**

The veterinary surgeon and the owner should recognise that their decision to destroy a horse may not automatically result in an insurer paying the insured value of the animal. Not all insured horses are covered for death and as a rule insurers do not pay death claims for injury, illness or disease where clinical signs first manifest themselves prior to the start of cover. Both the veterinary surgeon and the owner should realise that no insurer will confirm a decision to pay a death claim until full details of the claim, including the clinical history have been disclosed, received and assessed. It is therefore inadvisable for a veterinary surgeon to comment on the insurer's likelihood of paying a mortality claim.

#### **5. Actions in relation to a horse that is already dead on the arrival of a veterinary surgeon**

In these circumstances it is essential that the horse is positively identified by the veterinary surgeon against existing records. A post-mortem will normally be required to establish the cause of death. It is important that the client contacts the insurance provider as soon as possible to allow an independent inspection of the animal if required. With this in mind it is recommended that the carcass is not disposed of until the insurer has been contacted.



## c. Permanent Loss of Use cover

### 1. What is Permanent Loss of Use insurance?

This is an optional cover and it is worth checking with the client to see if this is included in their policy.

Permanent Loss of Use insurance covers the horse if it becomes permanently incapable of performing the tasks for which it is insured. The definition of specific use will vary depending on the individual policy and company, if the owner is not sure of the specific cover they should discuss this with their insurer.

There are two distinct types of cover sold:

- Permanent Loss of Use due to accidental visible external and violent injury only
- Permanent Loss of Use due to accident, illness or disease

The injury or illness must commence during the policy year and the Permanent Loss of Use must be established within the time limits specified by the policy.

Permanent Loss of Use Insurance does not cover lack of ability or lack of potential ability, blemish, behavioural problems or temporary incapacity.

### 2. When should a claim be made and what information is required?

Once it becomes apparent that a horse has illness or disease (or accidental visible external injury) that may lead to a Permanent Loss of Use claim the owner should immediately contact the insurance provider. A claim form and a report will be required by the insurer detailing the case history (including dates), diagnosis and prognosis including any possible treatments available or that may have been already tried. This is normally a stressful time for the client and prompt reporting and completion of the forms makes the situation easier for all parties.

### 3. What action will the insurer take?

The insurer will normally arrange for the case to be reviewed by their veterinary adviser. The adviser will often discuss the case with the veterinary surgeon. From this the insurer will be able to decide if they wish to have a second opinion (examination) or form a plan of action in relation to any treatment regime. Alternatively if the situation has reached a point where both veterinary advisers agree that it is a valid claim it can be settled promptly. If a course of action cannot be agreed by the two veterinary surgeons then the individual policy will detail the procedure to be followed. Most policies allow the case to go to an independent veterinary practitioner agreed by both parties to resolve any disputes.

### 4. How long should any treatment be carried out for?

This will normally be agreed by the two veterinary advisers but the condition should be given adequate time to respond to treatment which may be for the full 12 months of cover from the date of onset. However as you will all appreciate some injuries, such as ligament/tendon injuries, can take several months to assess the permanency of the condition. If the horse needs more time to recover than is available within the permanent loss of use extension period, the owner should discuss this with the insurer and see whether the policy can be extended to give every chance of a full recovery.

### 5. What happens once a claim has been agreed?

Most policies give the owner the choice of keeping the horse in retirement or having the horse humanely destroyed. If the latter option is chosen then proof of destruction will be required from the owner. If the horse is kept in retirement all horses are freeze marked with an 'L' within a circle by UK insurers. It is worth the owner checking what continued insurance cover is available if the horse is kept in retirement. Within Europe R is frequently used to denote a previous Permanent Loss of Use claim.



## Vettings

### Pre-purchase Vetting

Having examined the horse, advise your clients before completing the purchase, to send a copy of the veterinary certificate to their insurance company. This avoids later problems over exclusions, which may be placed on any conditions that are noted on the veterinary certificate. Only one certificate can be produced and any facts or issues raised with the purchaser must be advised to the insurer.

Most companies require a current full five stage vets certificate for Permanent Loss of Use insurance which includes illness and disease, with accompanying radiographs for horses of higher values (normally over £10,000).

### Pre-insurance vetting

Before offering terms and where a horse has been owned for sometime, insurers may ask for a health examination to be carried out.

There are two different types of examination, both with their own standard, recognised certificate. An examination for "Permanent Loss of Use and Veterinary Fees Insurance" requires a detailed examination, based on a five-stage pre-purchase examination. A more limited examination should be performed for "All Risks of Mortality Insurance", similar to a two-stage pre-purchase examination.

All signs of disease or injury should be recorded on the certificate, including old scars and exostoses. In addition, these certificates include a section detailing previous medical history which should be filled in accurately. If in doubt append a detailed medical history/ computer printout to the form. No opinion as to suitability for a purpose is put on these certificates and it is left to the insurer to decide on the insurance risk.

The decision to insure the horse should be left to the underwriters. The information in the certificate, which must be complete and accurate, will be taken in to account.

**Failure to mention defects on a certificate for insurance may cause problems in the event of a claim where a debate might ensue over the fitness of the horse at the inception of the policy.**

## Some commonly used jargon

**Inception date** - the start date of the policy.

**Extension periods** - apply to expired policies when cover is extended beyond the expiry date of the policy normally for 12 months from the date of the onset of a condition.

**Exclusions** - noted conditions or risks that are not covered under the policy.

**Pre-existing conditions** - conditions that manifest before the inception date and are therefore not covered by the insurance.

**Underwriter or the insurer** - a Lloyd's syndicate, insurance company or mutual insurer who accepts the risk that the insurance policy covers in return for payment of the premium. The insurer sets the rates and determines the terms and conditions of the policy. The buck stops with the Underwriter or insurer for decisions relating to provision of cover.

**Insurance Agent** - An intermediary who has a contract to sell and administer policies on behalf of the Underwriter.

**Insurance Broker** - An intermediary who acts on behalf of the client. May also have a contract to sell and administer policies on behalf of an Underwriter.

**The Financial Services Authority (FSA)** - regulates the general insurance industry and authorises individual companies allowing them to sell insurance products.

You can check on the registration of a company by visiting the FSA's website [www.fsa.gov.uk/fsaregister](http://www.fsa.gov.uk/fsaregister) or by contacting the FSA on 0845 606 1234.

**Financial Ombudsman Service** - the organisation which handles complaints by policyholders against insurance providers.

**Co-insurance** - An arrangement by which the insurer and the insured share, in a specified ratio, payment for losses covered by the policy after the excess has been paid. Sometimes referred to as co-payment.

**Accidental Visible External and Violent Injury Only** - Cover where the insured can only claim for open surface injuries as a result of an accident.

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