

VETERINARY SURGEONS GUIDE TO RIDING AND SPORT HORSE INSURANCE

Please note this is a general guide and policy terms and conditions. These guidelines are designed to assist the veterinary surgeon in understanding the insurer's requirements and to assist the insured owner in complying with their policy terms and conditions.

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.

CLICK on a link below to proceed to a section

- 1. RESPONSIBILITIES**
- 2. POLICY STRUCTURE AND CONDITIONS**
- 3. MAIN TYPES OF COVER AVAILABLE**
- 4. PRE PURCHASING VETTING**
- 5. PRE INSURANCE VETTING**
- 6. SOME COMMONLY USED JARGON**

1. RESPONSIBILITIES

The veterinary surgeon - responsibility is to the horse, regardless of whether or not it is insured.

The owner - responsibility to ensure that the Terms and Conditions of the insurance policy are adhered to.

The insurer - responsibility to ensure that the policy clearly details the extent of the cover and any limitations and that the policy terms and conditions are interpreted fairly.

2. POLICY STRUCTURE AND CONDITIONS

POLICY PERIOD

Equine policies are 12 month contracts offering insurance for this period 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 will exclude any condition that occurred during the previous policy period. Underwriters are not obliged to offer renewal; similarly insured's are not obliged to accept renewal terms offered and can choose to find an alternative provider.

DISCLOSURE

An insurance policy is based on "Utmost good faith" that obliges both the insured and the insurer to disclose all material facts at the inception or during the policy. It is important that the Insured or their veterinary adviser makes full and complete disclosure of all material facts relating to the risk if they wish to ensure 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 onset of the problem, there after having fulfilled the policy terms, there is no further obligation to provide on going 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 to include a specific problem if they consider the risk insignificant but are under no obligation to accept cover 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. Whilst if requested by the insured the

veterinary surgeon can offer a veterinary opinion of the significance of a condition or the definition of exclusion it is up to the insurer to decide on the whether they wish to exclude or include a specific risk.

3. MAIN TYPES OF COVER AVAILABLE

(I) VETERINARY FEE COVER

(II) DEATH

(III) PERMANENT LOSS OF USE

NB: Other cover may be included in the policy for Theft, Public liability, Personal accident, Tack or Trailers

(I) VETERINARY FEE COVER

Pays for non-routine vets bills after deduction of an excess. The cost of this cover will increase as the demands on the horse increase for example vets fees for an intermediate eventer will be more expensive than those for a pleasure hack. Some companies offer a variety of different levels of vets fee cover to suit all budgets. No policy will pick up all the costs and may have restrictions on diagnostics or alternative/complementary treatment or may exclude cover other than that caused by accidental injury.

Details and an estimate of the cost of proposed treatment should be given to a client prior to treatment, as per RCVS code of practice, so that they can check with their insurers that it is covered and that the cost is within their cover limit. It is appreciated that in emergency situations this is not always practicable.

A referral, surgery or complementary treatment needs prior approval by insurers and should be notified at the earliest opportunity; after initial contact by phone, details of where the horse is to be referred with current case history should be submitted to 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 the policy holder's claim is only valid once they have paid the practice bill. Vets can get clients to sign an agreement that their claims monies are paid directly to them and most insurers will then do so, but are not obliged to.

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 client would be unacceptable.

Equine insurance has been recognised since its inception as of mutual benefit to horse owners and the veterinary profession in the provision of 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. It should be understood that premiums directly reflect the 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.

(II) DEATH

All Risks of Mortality (ARM) - BEVA Guidelines for the destruction of a horse with insurance cover.

These guidelines apply to the intentional slaughter (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. Nor do they apply to permanent loss of use, which is a separate benefit with entirely different procedures.

1. Basic principle

As a guide BEVA considers 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 destroy the horse immediately.***

In all other cases, (that is where the horse can be provided with effective pain relief), 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 or the attending veterinary surgeon can seek a third opinion by contacting the insurance company again or by following the Complaints Procedure as set out in the Terms and Conditions.

2. Following Destruction

Owners should be made aware that the insurer may require an examination of the carcass after death and that it should be retained until the insurer confirms that it can be disposed of. In those instances where the insurer does not ask for a post mortem, the attending veterinary surgeon should positively identify the carcass.

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 received and assessed. It is therefore inadvisable for a veterinary surgeon to comment on the insurer's likelihood of paying a mortality claim.

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 be positively identified against existing records. A post-mortem will be required sufficient to establish the cause of death. It is important that the insurance provider is contacted 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.

(III) PERMANENT LOSS OF USE

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.

Loss of Use Insurance-covers the horse if it becomes **permanently** incapable of performing the tasks for which it is insured as a result of accident, illness or disease. The definition of specific use will vary depending on the individual policy, if the owner is not sure of the specific cover they should be advised to discuss this with their insurer.

Permanent Loss of Use due to accident, illness or disease.

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

Loss of Use insurance does not cover for loss of value, lack of ability, blemish, behavioural problems, temporary incapacity, or lack of potential ability.

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

Once it becomes apparent to you that a horse has an illness or disease which may lead to a claim the owner should be advised to contact the insurance provider immediately. 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 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 you. 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 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 extension period. 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 be advised to 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. If the horse is kept in retirement all horses are freeze marked with an 'L' within a circle by UK insurers. It is worth advising the owner to check what continued insurance cover is available if the horse is kept in retirement. Within Europe R is frequently used to denote a previous loss of use claim.

4. PRE PURCHASING VETTING

Having vetted the horse, advise your clients before completing the purchase, to send a copy of your veterinary certificate to their insurance company. This avoids dramas 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.

A current full five stage vets certificate is required for loss of use, with accompanying X rays for higher values (normally over £10,000).

5. PRE INSURANCE VETTING

Before offering terms and where a horse has been owned for some time, insurers *may* ask for a health examination to be carried out. This will either be for

- "All Risks of Mortality Insurance", in which case the BVA form for "Examination of Horses for Mortality Insurance" should be used, or
- for insurance including "Permanent Incapacity and Veterinary Fees Insurance" in which a modified BVA/RCVS form based on a full 5 stage examination is used, specifically for insurance purposes.

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.

The decision to insure the horse should be left to the underwriters but based strictly on the information in your certificate which must essentially be complete and accurate.

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

6. 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.

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

Pre-existing conditions - conditions that were present before the inception date and are therefore not covered.

Underwriter or the insurer - a Lloyd's syndicate insurance company or mutual insurer who accepts the risk that the insurance covers in return for payment of the premium.

The insurer sets the rates and determines the terms and conditions of the policy and is where the buck stops in decisions relating to 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.

The Financial Services Authority (FSA) – regulates the general insurance industry and authorise 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/register/ or by contacting the FSA on 0845 606 1234.

Financial Ombudsman Service. – Organisation which handles complaints by policyholders against insurance providers.