



The Equine Esquire

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Hauling a Friend's Horse... What's the Big Deal?

There are many horse owners who will happily haul a friend's or stablemate's horse, no problem. It seems to make sense to ride share, especially when a group is going to a show, horse camping, a clinic, or for a trail ride. All is fine until something goes wrong. How does this play out when horses and/or people get hurt, or trucks and trailers are damaged? Most people wrongly believe that if you have an insured truck and trailer, that coverage will automatically include whatever you haul with and/or in it. I can assure you that it does not. Claims and lawsuits often enter the picture. Friendships can be compromised, if not ruined. However, there are ways to minimize risks, protect against liability, and still provide that helpful haul.



Types of Insurance

- Auto insurance: A private person who has a **truck** with only liability insurance has coverage up to stated limits for injuries/deaths to the humans in their own or another vehicle (if at fault).
- Trailer insurance: A private person who has insurance on a **horse trailer** has coverage for the damage to the trailer, but not the horses inside.
- Equine personal liability policy: Protects you in the event that **your personally owned horse(s) damaged property or injured a third party**. It is available to persons NOT involved in any commercial activities. This coverage also provides legal defense (pays for defense attorney's fees and costs).
- Equine commercial general liability (CGL) policy: Provides coverage for **bodily injury to third party persons or property damage claims** if you are a professional equestrian (a person who performs a horse-related service for a fee or for barter such as hauling, boarding, instruction, training, etc.). This coverage excludes damage to non-owned horse(s) in your care. This coverage also provides legal defense (pays for defense attorney's fees and costs).
- Care, custody, or control endorsement: Protection adds coverage to a liability policy (Commercial or Personal), as an endorsement, for sickness, injury or death of the **non-owned horse** due to your negligence, which was in your care, custody or control. The cost of defending a case under this endorsement is included under the liability policy itself.
- Equine major medical and surgical policy: Typically offers reimbursement for **veterinary treatments** (both medical and surgical) for accidents, injuries, illness or disease up to a limit.
- Equine full mortality policy: Insures the agreed value of your horse if the **death of the horse** is due to theft or death from accident, illness, injury, disease or veterinary recommended euthanasia.

A Hypothetical

You and your friend decide to go for a trail ride. You agreed to haul your friend's horse in exchange for her paying for gas. While in route traveling 55mph, an inattentive driver side-swiped your truck on the driver's side, causing the rig to go off the shoulder and down an embankment. The truck remained upright, but the trailer was on its side. Emergency personnel and veterinarians arrived on scene. Ultimately, both horses were euthanized. Your friend was taken to the emergency room because she hit her head and lost consciousness. Additionally, your truck and trailer were damaged.

Unfortunately, the other driver only carried the minimum liability limit required in California, \$15,000 per per-

son/\$30,000 per occurrence. You were deemed to have partial fault in the collision because the electric brakes on your trailer were not working, and had not been checked in a few years. Your friend sued you for negligence claiming that she paid for your hauling services (cost of gas), you breached the standard of care owed by hauling with non-functioning trailer brakes, but for the faulty brakes the rig would have been able to withstand the side-swipe, and as a result she (and her horse) were damaged.

You had personal auto insurance with comprehensive/collision and liability coverage; however, because you accepted gas money it could be deemed that you accepted *compensation*. Thus, it may be determined that your hauling activities were a business not otherwise covered by your personal auto insurance. For this hypothetical, let's assume that you were not deemed a business, and your auto policy repaired the truck and trailer, and paid for your friend's medical expenses (up to the limits on your policy).

Your friend carried medical/surgical and mortality insurance on her horse, and she filed a claim. This insurance company paid your friend directly for the cost of on-scene veterinary care, and for the loss of her horse up to the declared value on her policy. The mortality company then sought you for reimbursement of the claims paid.

Thankfully, you had secured coverage under an equine personal liability policy with a care, custody, and control endorsement. The coverage under the endorsement provided compensation for the death of your friend's horse due to your negligence. The mortality company was reimbursed up to the stated value on the endorsement for the amount it already paid out to your friend. Your friend does not get paid twice for the same harm (from her own insurer AND from your insurer.)

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The cost of defending you in this lawsuit was included under the provisions of liability policy itself.

Your Tolerance for Risk

If you plan on hauling a horse(s) not owned by you, you should consider: 1) coverage amounts on your personal auto policy; 2) if you need business use coverage for your truck (if accepting compensation for hauling); 3) equine commercial general liability coverage if you haul for compensation on a regular basis; 4) auto insurance coverage for your trailer; and 5) the care, custody, and control coverage for the horses hauled. Additionally, it's a good idea to have your friend sign a liability waiver and release for horse hauling (see spring 2016 issue of the Horse Journal.)


Many of us haul horses without contemplating our own exposure or our insurance coverages. In the above example many types of insurance came into play, which helped minimize the financial exposure to the friend doing the hauling. In sum, after assessing the risk presented to you, you may choose to accept the risk, obtain insurance coverage, or simply refrain from hauling any other horse except your own.

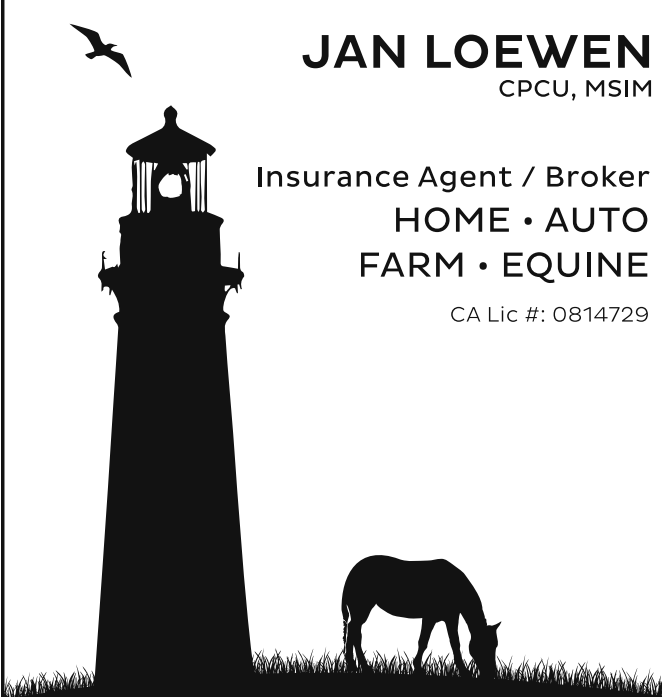
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