



*The Equine Esquire*

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# Equine Insurance—Does It Really Work? A Personal Account of Two Claims

I've often heard the comment that equine insurance "doesn't really work" or "it never pays out". Whether to carry insurance coverage on your equine is not only a financial decision, but a very personal one as well. My hope with this story is to provide a brief account of two claims involving the same horse and how it played out for me. When I purchased a fancy moving six-month old Dutch Warmblood colt by Apache in 2009, it was undoubtedly the biggest purchase I had made, for anything, except for my house. I was drenched in the excitement of it all and was having dreamy thoughts about the dressage future of this colt. At some point common-sense came over me and I contemplated equine insurance. I'll admit I wavered a bit on the idea, especially given the expenditure I had just made. However, I went forward with paying the annual premium of about \$1,000.00 for mortality and major medical coverage. Time went by and the colt spent blissful time growing up with other babies in the fields of Holland.

Around age two I decided it was probably prudent to take baseline x-rays of his legs and hooves. Shocked and saddened, an Osteochondritis dissecans (OCD) lesion was identified on a non-weight bearing surface of the right stifle joint. OCD is a relatively common developmental disease that affects the cartilage and bone in the joints of horses. Cartilage in joints with OCD doesn't form normally. This often causes bone to break off and "chips" float around in the joint. Simply put, as the horse grows, the soft cartilage matures at the ends of the bones, and, normally, as it changes it becomes hard. With OCD, the cartilage does not become hard. It breaks down. The joint erodes from lack of cartilage on the joint surface. So this is what we faced and my first claims experience with equine insurance was about to begin.

I notified my insurance carrier, filed a claim, and the x-rays were submitted by the clinic to the adjuster. The request for arthroscopic surgery was approved by the company. The stifle joint was thoroughly explored, the lesion was probed, and loose/detached tissue as well as the bone "chips" were removed. The defect site was then debrided down to healthy tissue. The surgical coverage on my policy covered the cost of the surgery (less my deductible) and after care up to thirty days. Going forward, the right stifle, as to OCD, was now a pre-existing condition and thus an exclusion under the policy. Eventually time in the field resumed, life again for the colt was blissful.

About fifteen years later, he was put under saddle, and was going along with age-appropriate work. However, within a few months there was a very subtle "uneven" feeling under saddle, which caused concern. An ultrasound revealed a torn meniscus, but to what degree remained unknown. Another claim was submitted to my insurance carrier. Given the nature of this claim, a veterinarian for the insurance company (Texas), an adjuster (Oklahoma), my surgeon (The Netherlands), and myself (California) were all involved with the situation. The ultrasound images and clinical findings were immediately shared with the insurance veterinarian, who confirmed the presence of a tear, but recommended exploratory arthroscopic surgery to determine whether it was partial or completely torn. A date was determined to go forward with the procedure. However, prior to the surgery date, it was made clear to me that euthanasia could result if the meniscus was completely torn, especially given the young age of the horse. It was also made clear to me that I needed to give permission to have the horse

euthanized should the surgery reveal a complete tear. Both the insurance veterinarian and my surgeon were in agreement that this would be the result should the objective findings dictate. With the horse in Holland, and me in California, I could only sit by the phone in the early morning hours for a call to tell me all would be ok. The call came. It was brief. The horse was not recovered. He would never make it to California.

Some days after the tears subsided, I could begin to deal with the claims paperwork. While the situation is one I thought I'd never face, I was extremely relieved to have smartly kept the major medical and mortality coverage in effect. The claim paid the surgeon in Holland and me the mortality limit on the policy. Since the torn meniscus was unrelated to the prior claim for OCD, the coverage was paid in full. While my heart was so broken, thankfully my pocketbook was not.

In January of 2014, I imported a three and a half year old Dutch Warmblood mare. I purchased mortality, colic, and major medical coverage, as well as international aviation coverage. I continue to keep coverage in place given my past experience, and also not wishing to take on the financial loss myself. Carrying insurance is the right decision for me, and I can tell you that in the situations described here, the coverage did in fact "work".

As you can see, despite the best planning and wishful thinking, accidents and illnesses happen, and that's why it's important to consider insurance. The array of equine insurance options can be intimidating and of the many different types of coverage available, only some choices may be appropriate for you. While I am not an equine insurance broker, prior to becoming a lawyer, I enjoyed a fifteen+ year career in the financial industry. I advise that when evaluating insurance products, consider what risks you have for liability and loss, and then match those risks against the types of coverage available. The American Association of Equine Practitioners offers a very helpful article, "Understanding Horse Insurance Coverage: Guidelines You Should Consider" located at [www.aaep.org/info/horse-health?publication=820](http://www.aaep.org/info/horse-health?publication=820).



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*The above article is not intended to be legal advice. Readers should seek legal counsel to determine how the law applies to their particular circumstances.*

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