

2007 BCHA Annual Meeting:

(ALMOST) EVERYTHING YOU ALWAYS NEEDED TO KNOW ABOUT INSURANCE

BY ALLISON SCHULTZ

On February 13, 2007, Michael Bagley of State Farm Insurance in Berthoud, CO, spoke about the importance of insurance to the BCHA Annual Meeting attendees at the Spice of Life Center. Mr. Bagley was born and raised in Colorado, but has spent time in Idaho and New York. His horse experience is limited to 6 enjoyable years of renting a horse named Billy in Yellowstone National Park.

Mike enjoys being an insurance agent, explaining: "I am part of the best and worst parts of people's lives. I was a little late this evening because I was helping a young man insure the engagement ring he was about to give to his girlfriend. It was surely an exciting time for this young man." As an insurance agent, he feels it is his job to answer any questions policy holders have and to help his clients understand their policies so they know where they are covered and where they are not. "I advise you to meet annually with your agent," he said. "The laws are constantly changing, and your needs are changing. Also, always make sure that your agent understands the policy that he's selling you. Have him explain what's covered and what's not covered under any policy." Unfortunately, most people don't understand their policies until it is too late.

There are two types of insurance: liability and property insurance. Mr. Bagley made several recommendations for horse owners:

- Liability insurance covers you wherever you are. The purpose of liability insurance is twofold: 1) to cover your legal and moral obligation to restore someone you've just injured; and 2) to protect your assets. It's best to have a personal liability umbrella coverage based on your total assets. An umbrella policy would cover you and your automobile, you and your home, you and your ranch, you and all your assets. An umbrella policy is strictly liability insurance. Umbrellas are important for people who host events or go to events such as group trail rides. For example, if your horse kicked someone at a horse show, an umbrella policy would cover the victim's medical costs and any damages or legal costs that might be incurred. Liability is a relatively inexpensive product to give you peace of mind.
- Property insurance is designed "to cover the average homeowner's home stuff." If you have lots of money in tack and equipment, your homeowner's policy might not cover that. Homeowners' insurance will also not cover professional horse use. Generally, most homeowners' policies will cover you if a non-paying person is riding on

your property and gets hurt, but it is best to check with your agent to make certain that your particular policy covers that kind of activity. Essentially, your homeowner's policy covers everything except whatever is excluded.

- There are multiple ways to insure different things. Know the difference between a Homeowner's policy and a Farm and Ranch policy. If you are making money in the equine industry, a commercial liability (or business insurance) policy may be necessary. Be sure to meet with an agent who understands your risks so that you can be best protected by policies that suit your interests.

• Trailers need their own separate policies, and are not part of your truck's insurance. The contents of your trailer, such as tack, are usually not covered by a homeowner's policy. In many cases tack should be insured separately, depending on its value.

• Having personal long term disability coverage is important in the event of serious injury. Although horse injury claims are not as frequent as other types of accidents (according to insurance claims offices), injury and disability claims resulting from equine accidents tend to reflect really severe accidents.

• Insurance on your horse, such as health care and mortality (life) insurance, will need coverage from an insurance company specializing in equine services. Most insurance companies that cover auto and homeowners do not include horses specifically. If you do have equine insurance, be certain of what it covers. Some policies cover loss of use and equine sickness, but every policy is different.

The planned second speaker for the evening, who would have addressed horse insurance and coverage for equine professionals, was unavailable at the last minute. The audience expressed considerable interest in learning more, so stay tuned for an educational seminar on this topic in the near future.



MIKE BAGLEY

Photo by Pat Jarvis.