

Coverage Summary for Loss of Use

Loss of Use is a form of permanent disability insurance on your horse and is available as an addition (endorsement) to the Full Mortality policy and Major Medical policy. This coverage is only available on performance horses, i.e. halter horses and breeding stallions (see below) are not eligible, and would apply if your horse becomes totally and permanently unable to perform his intended use as shown on the policy due to accident, injury, sickness or disease but the condition does not necessitate destruction for humane reasons.

Most insurance companies offer limits on Loss of Use coverage from 50-75% of the Full Mortality insurance value, i.e. if your horse is insured for \$10,000. for Full Mortality, your Loss of Use limit would be \$5,000.-\$7,500., depending on the insurance company.

NOTE: Some insurance companies policies state that when they pay a Loss of Use claim they become the owner of your horse, or if you agree to a lower claim payment amount, you can keep the horse. At Star H Equine Insurance, our lead company offers Loss of Use Coverage with a 60% payment and you get to keep your horse. If you are considering Loss of Use coverage, be sure to discuss the claim payment procedure with your agent.

The rates for Loss of use coverage usually range from 2.5%-3.5% of the Full Mortality value. In addition, to get this coverage a Veterinarian Exam is usually required, to include x-rays of the front feet and hocks. Coverage is usually available for horses ages 1-16.

STALLION INFERTILITY. As mentioned above, breeding stallions are not considered performance horses and therefore are not eligible for Loss of Use Coverage. However, coverage is available to insure the breedability of your stallion. It is called Stallion Infertility and covers you if your stallion becomes permanently unable to breed due to accident, sickness or disease. The rate for this coverage is usually .75-1.00% of the Full Mortality value and the claim payment amount is usually 100% of the Full Mortality value.