

## **Animal Mortality Insurance Application, Rating and Premium Calculation**

This is the information needed to obtain a premium quote or premium indication for animal mortality insurance for a specific animal.

1. Name of animal
2. Age of animal
3. Gender of animal
4. Breed of animal
5. Use of animal
6. Value of animal

### **Name of Animal**

The name is one identifier of the animal. Many animals have more than one name including a nickname or barn name. The applicant or insurance agent should be mindful that some animals may have an identifying tattoo and/or microchip implanted under the skin.

### **Age of Animal**

The age for most animals is given by stating the year that the animal was born. Almost always an actual date of birth is needed when the animal is under one-year old and sometimes when the animal is under two-years old.

### **Gender of Animal**

You would think that this one would be easy. Actually it is one of the most misstated of all of the mortality insurance application questions. It is very, very important. You will need to read the exclusions and limitations section for more information.

Many general property and casualty insurance applications that ask a gender question will only have one of two answers - male or female, and further may use simply "M / F." The first thing you need to know is to write out the words "male" or "female" for the animal in lieu of "M" or "F." For horses, for example, there are mares and fillies that may confuse the answer to the gender question "M /F."

Other animals may have similar, more specific, answers such as “bulls” or “cows” and this list goes on.

The other issue that could cause a gender misstatement is failure to identify an animal that is no longer male or female because it has been neutered. The most frequent misstates that come to mind are for male horses and male cattle, or, “stallions” and “bulls.” If castrated, these same animals probably should be better identified as “geldings” and “steers.” This again is very important because of the exclusions and limitations on an animal mortality insurance policy.

### **Breed of the Animal**

This is pretty straightforward. If a horse, the breed could be a Thoroughbred, Arabian, Quarter Horse, etc.

If cattle, the breed could be Angus, Holstein, etc.

Some insurance companies would rather just designate the cattle breed by stating “beef cattle” or “dairy cattle.” Both seem to be acceptable.

### **Use of the Animal**

Much like other information discussed above, this one is also very important.

The use of “racing” seems to be pretty clear.

However, the insurance application answer of “show” seems to be a catch all and almost always needs further explanation. Instead of using the general answer of “show,” it would be better to supply a more specific explanation of the type of show, such as “dressage.”

Also, the use “pleasure” may not be the pleasure use you think of, like riding your horse on the back 40 acres. More questions need to be answered to ultimately understand the use of “pleasure.” This “pleasure” use is also a specific horse riding discipline that refers to or is called “pleasure.”

If the animal has more than one use, then the primary use should be given first and then additional uses also stated. An example of this would be “breeding/dressage.” The animal will normally be rated on the highest use rate if multiple uses are stated in the application.

## **Value of an Animal**

Valuation of an animal is particularly important in animal mortality Insurance. These policies are typically written on a “valued policy” (many insurance agents would say a “stated amount” policy). This is normally a good thing for the insurance customer, as both the insured and the insurance company would know what should be paid in the event of a death claim on the animal.

An issue would probably arise if and when an amount of insurance being requested on a mortality insurance application is more than the original purchase price of that animal.

An example of an original purchase price of \$10,000 for a horse with an amount of insurance being requested of \$25,000 would require additional information from the applicant. Typically, last year’s show records and/or stud fees charged for the horse would be requested from the applicant.

The issue will first arise in the underwriting process prior to obtaining a new animal mortality insurance policy, and sometimes even on a renewal application being submitted for a subsequent year after the initial policy has been issued. This topic may deserve more explanation, however I would recommend that you know the original purchase price of the animal prior to making application for insurance.

The biggest issue would be a misstatement of the original purchase price of the animal. This misstatement could be from the applicant (the future insured) or from the insurance agent. It would initially not matter which one gave the incorrect information – but it would be a serious problem when it comes time to pay (or not pay) an insurance claim.