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Horse Ownership Considerations
Laws and Insurance



What makes a liability release enforceable?



How do liability releases work?

- Discourage people from suing you in the first place
- Help prevent them from winning if they do sue
- Must inform the person signing the release form of the risks of the activity they're about to engage in
- The liability release has to get the signer to agree to accept those risks



What makes a liability release enforceable?

The more specific, the better

- Include specific provisions about the dangers involved in trail riding, such as wild animals spooking horses.
- “Horseback riding is dangerous”
 - Why too broad? The idea is for the release to cover all the typical risks of the activity.




What makes a liability release enforceable?

The right parties must be released

- A boarding stable release should include not only the stable itself, but also its owners, employees and independent contractors.
- Property owners
- Parties to be released can be listed as a category, like "employees," rather than listing each person individually by name



What makes a liability release enforceable?

The right parties must sign

- A boarder can't sign away their family members' and guests' legal rights.
- Children (minors, persons under 18 years of age) can't sign away their legal rights.
 - For that reason, one-size-fits-all liability releases simply don't work.



Clinic and Show Liability



Clinic and Show Liability Releases - Common Problems

Problem #1: The release is written in legalese

- Most equine event liability releases flunk the understandability test – you can't read the waiver and tell what the risks of participating in the event are.



Clinic and Show Liability Releases - Common Problems

Problem #2: The release is designed for brevity, not enforceability

- A lot of horse shows and clinics include a liability release paragraph on the entry form. The paragraph is short, and usually in small type.
- Courts *may* refuse to enforce a release that is very small typeface or one that's inconspicuous, such as on the back of an entry form or tucked into a big show premium book.



Clinic and Show Liability Releases - Common Problems

Problem #3: The right parties don't sign the release

- Even if the exhibitors have signed liability releases, the spectators usually haven't, and neither have the exhibitors' trainers, parents and friends.



Clinic and Show Liability Releases - Common Problems

Problem #4: The release is borrowed

- Most of the form liability releases out there for shows and clinics have been used year after year, even though they're probably unenforceable.



Clinic and Show Liability Releases - Common Problems

Problem #5: The release doesn't name the right parties

- If the release names the organization putting on the show, but not the volunteers helping out at the show, the volunteers could still be sued.



The Business of Boarding



Top 5 Mistakes Boarders Make

1. *Drafting their own boarding contracts and liability releases*

- The contract doesn't include all the material terms
- The contract doesn't say what state's law will apply, or where the parties can sue each other
- The contract doesn't provide for attorneys' fees and costs if the parties sue each other



Top 5 Mistakes Boarders Make

2. *Being too nice*

- The longer the owner waits to evict a problem boarder, the bigger the problem will become



Top 5 Mistakes Boarders Make

3. *Letting late payments get out of control*

- Why wait months to evict a boarder who isn't paying?



Top 5 Mistakes Boarders Make

4. *Being uninsured or underinsured*



Top 5 Mistakes Boarders Make

5. *Letting boarders work off board*



Insurance



Care, Custody and Control (CCC) Coverage

Target audience:

Boarding stables, breeding farms, trainers and other commercial equine operations who take on the responsibility of caring for others' horses



Care, Custody and Control (CCC) Coverage

Typically covered: Risk of loss or injury to another person's horse in your care. **Example:** Your ranch hand doesn't latch the gate securely, the boss mare lets the other horses out into the alfalfa field and several horses founder as a result.

Not typically covered: Risk of loss or injury caused by horses in your care, loss or injury to your own horses. **Example:** Those same loose horses get into the parking lot and chew the paint off of several boarders' cars.



Commercial Equine Liability Coverage

Target audience:

Horse-related businesses, including boarding stables, breeding farms, trainers and sales barns



Commercial Equine Liability Coverage

Typically covered: General liability relating to operating your equine business. **Example:** While on your property, a client drives over some used nails you left in the driveway, resulting in blown tires on your client's truck.

Not typically covered: Risk of loss or injury to another person's horse in your care. **Example:** One of your client's horses walks over those same nails and gets one stuck in her hoof, causing an abscess.



Farm and Ranch Coverage

Target audience:

Farm and ranch owners



Farm and Ranch Coverage

Typically covered: Loss to real and personal property.

Example: someone steals your manure spreader and several thousand dollars' worth of feed.

Not typically covered: Loss of livestock, general liability.

Example: The same burglar steals several of your horses and then on the way out and backs into your client's trailer



Workers Compensation Coverage

Target audience:
Employers



Workers Compensation Coverage

Typically covered: Injuries to employees incurred as part of their job. **Example:** Your assistant trainer is long-lining a squirrely two-year-old stud colt, who kicks out and breaks her jaw.

Not typically covered: Losses caused by your employees. **Example:** the colt gets loose from your assistant and wraps the trailing longe lines around a pipe, pulling it loose and causing a flood.



Horse Trailer Insurance

Target audience:
Horse trailer owners



Horse Trailer Insurance

Typically covered: Damage/loss to your trailer. **Example:** someone backs into your trailer, denting the side, and drives off before anyone notices.

Not typically covered: Damage/loss caused by your trailer. **Example:** when pulling out of the grounds to get your trailer fixed, you back into the tie rack, knocking it over.



Equine Mortality and Theft Coverage

Target audience:
Owners of valuable horses



Equine Mortality and Theft Coverage

Typically covered: Theft and death not caused by the owner's negligence or willful misconduct. **Example:** Your horse is struck by lightning while out in the pasture.

Not typically covered: Death caused by the owner's negligence or willful misconduct. **Example:** You feed your horse moldy hay by accident, he colics and dies.



Major Medical and Surgical Coverage

Target audience:

Owners of valuable horses



Major Medical and Surgical Coverage

Typically covered: Certain types of surgery and other expensive medical procedures. **Example:** Your horse develops a tumor that must be removed, requiring major surgery.

Not typically covered: Routine medical procedures. **Example:** There is an outbreak of a rare disease in your area and your veterinarian recommends an expensive vaccine.



Loss of Use Coverage

Target audience:

Owners of valuable performance horses



Loss of Use Coverage

Typically covered: Permanent disability. *Example:* Your reining horse steps into a gopher hole in the pasture and fractures his coffin bone, causing permanent lameness.

Not typically covered: Temporary disability, death. *Example:* The same horse gets a splint, causing temporary lameness.



Stallion Infertility Coverage

Target audience:

Breeding stallion owners



Stallion Infertility Coverage

Typically covered: Permanent loss of fertility/breeding ability. *Example:* You purchase a Breeders' Cup winning stallion. Two years into your breeding program, he becomes sterile.

Not typically covered: Death. *Example:* The same stallion colics and dies.



Named Perils Coverage

Target audience:

Horse owners who don't want (or can't get) coverage under mortality or major medical coverage



Named Perils Coverage

Typically covered: Death from certain causes, e.g., fire.

Not typically covered:

Death from illness.



Short-term Transit Coverage

Target audience:

Horse owners hauling their horses on a short-term basis who don't have mortality or major medical coverage.



Short-term Transit Coverage

Typically covered: Death during transit.

Not typically covered: Injuries during transit.



Horse Owner Liability Coverage

Target audience:

Horse owners concerned about being liable for their horse's actions.



Horse Owner Liability Coverage

Typically covered: Injuries or property damage caused by your horse. **Example:** Your horse kicks a mountain biker while on the trail.

Not typically covered: Business activities relating to your horse. **Example:** You use your horse for giving riding lessons and one of your students is injured.



Race Horse Owner Liability Coverage

Target audience:
Race horse owners



Race Horse Owner Liability Coverage

Typically covered: General liabilities associated with race horse ownership. **Example:** Horse jumps into the grandstand, injuring several spectators.

Not typically covered: Injury/loss of the horse, liability associated with activities that are more than mere ownership. **Example:** jumped into the grandstand, the colt you've been training breaks his leg, ending his racing career.



Riding Club and Other Group Coverage

Target audience:
4-H clubs, pony clubs and other horse-oriented clubs that host mounted activities



Riding Club and Other Group Coverage

Typically covered: Injuries, losses and property damage that occurs during club activities. *Example:* While out on a hunt, a member's horse throws him and runs through a tomato field on his way back to the barn, causing damage to the farmer's tomato crop.



Riding Club and Other Group Coverage

Not typically covered: Contractual and other disputes relating to club events. *Example:* The food stand operator's contract states that your club must make up the difference in cash if he doesn't sell \$1500 of food and beverages during the show. Unfortunately, it snows on the day of the show, so the turnout is poor and he only makes \$500.



Show and Event Liability

Target audience:

Operators of horse shows, clinics and other events



Show and Event Liability

Typically covered: Injuries, losses and property damage resulting from club activities. Example: The loudspeaker squeals loudly during your dressage clinic, causing several horses to spook and throw their riders. Chaos ensues, during which several riders are injured.

Not typically covered: Contractual and other disputes relating to events. Example: One of the instructors for your dressage clinic does not show up, and some participants demand a refund



Donating a Horse



Giving Away a Horse: What a Donor Needs to Know

- Charge a fee
- Consider leasing instead
- Get creative
- Screen the adoptive home
- Have a written agreement


