

What is the difference between “PERSONAL LIABILITY” and “COMMERCIAL LIABILITY” and what does my OEF membership liability insurance policy cover me for?

First things first.

The liability insurance that is automatically provided to members in good standing of the Horse Council of British Columbia is PERSONAL LIABILITY coverage.

The intent of this insurance policy is to provide members with \$5,000,000 of coverage for liability claims that can be brought against them related to the ownership, leasing, and use of a horse (or horses) in a personal environment. Examples of the types of claims that are covered include:

1) The member’s horse kicks or bites someone and the injured third party decides to launch a suit against the member alleging that they are legally liable for their injury. The member’s insurer would respond to the allegation, defend the member (guilty or not) and pay damages as determined if found to be legally responsible.

2) The member’s horse escapes from the paddock or barn and causes property damage belonging to a third party. The owner of the damaged property holds the member responsible for the damage. The member’s insurer would respond to the allegation, defend the member (guilty or not) and pay damages as determined if found to be legally responsible.

Liability insurance only covers claims for damage/injury caused to “someone else” or a “third party”.

What is the technical difference between “personal” and “commercial” exposure in this context as it relates to membership?

Personal use of the horse simply means that whatever it is that you do with the horse does not generate compensation in money or in kind. ******PLEASE NOTE**** Breeding, Competing with the horse, leasing the horse to another individual, half boarding the horse with another individual - are all deemed to be personal uses of the horse and are covered by this policy.**

Commercial use of the horse means that you are being compensated (in money or in kind) for the use of your horse. Examples of commercial use include:

The owner rents the horse to another person.

The owner of the horse allows the boarding place where the horse is kept to be used in the lesson program in trade for reduced board.

The owner of the horse offers pony rides to others for compensation

The owner of the horse teaches others to ride for compensation

The owner of the horse(s) is in the business of leasing horses to others

I want to stress that this program is all about the ownership and use of horses. Of late, we have had some members call us with questions related to their occupancy of a farm, riding instruction activities etc. The liability arising from the occupancy of premises and /or business operations is covered by different types of insurance policy wordings. These types of liability insurance are readily available from us under separate programs.

A few final notes:

All policies of insurance contain exclusions – including the policy in force for members. All policies of insurance have limits of coverage and deductibles that can apply in some circumstances – including the policy in force for members.

If you have any questions about the coverage you have, or need confirmation of whether or not a certain activity or use of the horse is covered... call us – please. We are more than happy to answer your inquiry.

Mike King is an equine insurance specialist and a Partner at Capri Insurance. If you have questions about this or any other insurance, you are encouraged to contact Capri Insurance toll free at 1-800-670-1877 and ask for the Equine department.