

Horse breeders and stable owners should be mindful of the insurance policy and liability insurance that they have. A recent decision on the case Terry Burch et al., vs. Intact Insurance et al., highlights the need to inform brokers of all equine activities that they engage in when they purchase a policy. Additionally, if horse breeders or stable owners change their equine activities, the brokers should be informed to ensure that the activities are covered under their current policy.

Christopher Miller was a full-time farmer and horse breeder near Tomahawk, Alberta. In July 2000, he received an insurance policy from Intact Insurance. The court heard that when Miller met his broker to discuss purchasing insurance for his farm, he did not notify her of any non-farming business activities. He stated he was a full-time farmer, as a horse breeder and did not engage in any non-farming business.

In November 2000, he sold novice-rider, Terry Burch, an untrained horse. As part of the sale, Miller agreed to train the horse for 90 days and provide Burch with 30 riding and handling lessons. In May 2001, Burch was thrown from the horse and injured during a lesson with Miller. Miller died later that year and Burch notified his insurer, Intact Insurance Company, of her potential claim. In May 2003, the plaintiffs (including Burch) commenced a negligence/personal injury action against Miller's estate. They obtained a judgment in April 2011 but it remained unsatisfied. This current case went before the judge in April 2014.

Intact Insurance argued that this was a case of non-disclosure or misrepresentation of material fact, because Miller did not inform them that he taught riding lessons. Providing riding lessons are considered a specialty risk and are not covered by general farm insurance. However, in this case, they could not prove that Miller intended to teach riding lessons at the time he bought the policy. The judge found the general farm insurance policy did not cover riding lessons, and considered the lessons a separate business for financial gain and not a necessary operation of breeding horses.

While this case against Intact Insurance was dismissed in May, Miller was judged as being legally liable to the plaintiffs.

Take home messages:

- Riding lessons are considered a specialty risk which general farm insurance often does not cover
- Clearly define your business(es)
- Buy an insurance policy that covers your business(es)
- Inform the broker of all farming and non-farming businesses
- Update the broker if any of your farming or non-farming businesses change, or
- Limit your businesses to only what is covered by your insurance policy

Accidents can happen at any time to anyone. Ensure that you are covered.

[Read the full text of the case here...](#)