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## North American Equine Services, LLC

Specializing in Equine Appraisals and Litigation Consulting

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### The 2003 AAEP Convention



NAES attended the 2003 AAEP Convention that was held in New Orleans; along with 3,000 equine veterinarians. One of the interesting things that developed during a meeting was the fact that the vets feel as though the general horse owner really doesn't understand their horse's insurance policies.

I suppose that's true since we're not in the insurance business, but I think a bit of a re-cap is in order.

Relating to the popular "Loss of Use" policy, it's important to note that just because a horse becomes unable to do his former job, (Like Grand Prix show jumping), does not automatically mean that the policy pays the owner. Oh no, since many policies are written saying that normal aging processes shall be excluded from causing the insurance to pay off.

In addition, the "Medical/Surgical" provisions may not pay for all the procedures your vet might want to perform (How about acupuncture?).

What all the above means is that the wrong time to study your insurance is "after" there's a loss. You need to make sure the agent completely explains what ALL the fine print says. In speaking to numerous insurance executives it's become very clear to me that they very much want to be fair to the insured horseman.

### Insurance Exam vs. a Pre-Purchase Exam



Dr. Martin Crabo, DVM

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The differences between an equine insurance exam vs. a pre-purchase exam were discussed with several insurance principals in New Orleans at the AAEP Veterinary Meeting.

As the horse industry struggles to be more appealing to the novice owner I believe we have a certain responsibility to make clear to the new client that there really is a huge difference between each type of physical exam.

Beware the horse seller who suggests that an "insurance health exam" will take care of the pre-purchase and insurance exams at the same time. The pre-purchase exam must be performed by a veterinarian of the buyer's choosing. Remember, that the vet should be looking out for YOUR interests, not the seller's. And don't be skimpy on the number of x-rays you authorize; better to have too many than not enough.

The AAEP suggests to the examining vet that they do not "PASS" or "FAIL" a prospect. The vet will give you graded evaluations such as: "The amount of reaction, (i.e., Lameness), could be quantified on a scale of 1-5, with 5 being the worst. Or the vet may just put down "WNL," (Within Normal Limits). In other words, you the prospective buyer need to make the final decision and hopefully, you have the wise advice of your professional trainer in the final assessment.

You can see why it's important to trust in the impartiality of the pre-purchase vet!

### **MLRS Cases**

Because of the recent of MLRS Cases, (Mare Reproductive Loss Syndrome, caused by caterpillars in Kentucky resulting in many foal stillbirths), insurance companies are being more demanding of vets to prove that an in-utero foal is alive and well.



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Veterinarians I've spoken to say that many insurance companies want to see evidence of a sonogram that can determine the unborn foal's heart rate, etc.

MLRS caused over 500 foal deaths and ended pregnancies of 3000 mares. The large number of foals born dead in the beautiful Kentucky blue-grass area caused the related mare and foal insurance to be a valuable tool in the famous Keeneland Sales, especially in 2001.

With horses being the super large business in the area, all the stops were pulled out to figure out why the foals were being stillborn. It turned out to

be the decomposition of a certain species of caterpillar underneath specific cherry trees that was the culprit. The decomposing caterpillars were ending up in the grazing horse's food chain, thus causing the awful results.

It's understandable, therefore, why many large horse mortality carriers continue to be "gun-shy," and require insurance owners to comply with many requests about exactly where a broodmare can be kept. At least insurance can be bought but at 12% to 18% rather than the pre-MLRS rates around 10%.

### **NAES' Spotlight**



Dr. Midge Leitch, VMD

NAES recognizes horsewoman Dr. Midge Leitch, VMD, owner of the Londonderry Equine Clinic, Cochranville, PA. as a unique professional in the equine industry. While trained as a surgeon her large animal equine practice now focuses on evaluating all types of Sport horses used in dressage, show jumping, driving and eventing.

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NAES recently spoke with Dr. Leitch at the AAEP Annual Meeting in New Orleans.

A former faculty member at the famed New Bolton Center, Dr. Leitch still keeps close tabs on the exquisite equine medicine practiced there; her clinic is within shouting distance! "If I've got a big problem with a patient, my

clinic  
is right next to the Center"; she stated.

In speaking with Dr. Leitch it was apparent that she is a knowledgeable horseman and a superior vet. Her responsibilities have taken her throughout the world while traveling with the U. S. Equestrian Team to Seoul, Atlanta and Sydney. She currently serves as a member of the US Equestrian Federation's Veterinary Committee.

The very practical and professional experience that Dr. Leitch possesses is a boon to the horse world. She truly understands the full-time requirements necessary to being a great vet, i.e., there are no regular hours!

### **Fraud in Horse Sales**



Fraud in the sale of horses and commissions paid is a big problem. NAES is currently working on a case involving the sale of an upper level dressage horse.

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The long-standing trainer of the folks buying the animal now says he was only acting in the capacity of a broker and therefore is entitled to sales commissions from the seller.

Unfortunately for the buyers here in the States they were unaware of the huge discrepancy between the price asked by the seller in Holland and the price ultimately quoted by the trainer.

Do you think some cash was being sent "under the table" to the trainer?...  
... A very good possibility!

The buyer must rely on their trainer to act as a fiduciary agent. The law, therefore, requires this trainer to act completely on the behalf of the buyer.

So, when no mention is made of the large spread between the sale price and actual price to be paid...it is really fraud to the buyer!

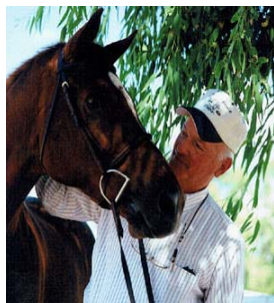
Make sure in all your horse selling or buying transactions that everyone involved knows exactly what the prices are. Don't let yourself be tempted by all too trusted individuals; at most it's against the law and at least it's very unethical.

### **About Dave Johnson**

Dave started NAES more than 10 years ago with an eye to making sure all horse owners and those

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interested in horses could depend on NAES for the straight scoop on horses and prices.

In addition, Dave is one of the busiest horse activity experts in North America.

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Because of his long history of working with so many breeds and disciplines he's called upon to give his opinion in literally hundreds of legal cases and horse appraisals.

Dave is still an active horse show judge and, when time permits, continues teaching at his wife's nationally known stable, Willoway Farm, Inc., in Phoenix, Arizona.

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