

LAKE CALIFORNIA PROPERTY OWNERS ASSOCIATION

Equestrian Center Insurance Requirement

ADDITIONAL INSURED – What it means.

When a landlord rents/leases property to a tenant the landlord often requires the tenant to provide proof of insurance and name the landlord as an additional insured. First, the landlord wants to know that should the tenant cause injury to a third party or damage property of others that the tenant will have the assets to address such claims; therefore, the insurance policy itself. For further protection, the landlord may also require the tenant to extend protection for such losses caused by the tenant to the landlord, naming the landlord as an additional insured on the tenant's insurance policy.

LAKE CALIFORNIA & Some Examples

Susie tenant leases a space for her horse from Lake California POA without providing a certificate of insurance naming the LCPOA as an additional insured. One early evening Susie visits the paddock to feed her horse and does not latch the gate properly. Later that night Susie gets a call advising her that her horse is badly hurt, hit by a car in which a young child and a parent were severely injured. Distraught, Susie advises her homeowner's carrier only to find the loss is not covered as horses are specifically excluded from coverage.

A suit ensues in which Susie and the LCPOA, as landlord, are named. Susie must provide for her own defense without her insurance company to assist, and the LCPOA turns the loss over to their insurance carrier, who, in turn, hires legal counsel to represent them.

Marty tenant also leases a paddock from the LCPOA and knows he must provide the LCPOA with proof of insurance, naming the LCPOA as an additional insured. He checks with his insurance agent and finds equestrian related activities are not covered by his homeowners policy and he must contact a special market for such coverage. Marty purchases the insurance, providing the LCPOA with a certificate of insurance naming the LCPOA as an additional insured. While moving his horse from the paddock to the riding arena the horse is startled by a wasp, bolts and runs through the open gate knocking down Marty's elderly neighbor, causing severe head trauma, which requires months of expensive medical treatment.

A suit is filed naming Marty and the LCPOA as co-defendants. Marty is accused of gross negligence in handling of the horse and the LCPOA is included because it owns the property on which the incident occurred. Marty's insurance company must defend Marty, as the named insured, and the LCPOA as an additional insured. The suit settles out of court for the limits on Marty's policy. The LCPOA and its insurance carrier, while advised of the claim, were protected from the suit thanks to the additional insured endorsement.

A CHANGE IN POLICY

Yes, the policy has changed for use of the Equestrian Center. Due to the litigious nature of our society, every member using the center must now show proof of coverage and name the LCPOA as an additional insured.

The LCPOA board of directors has the responsibility of protecting the association's assets. This protection is accomplished in several ways: (1) insurance is purchased by the association, transferring the hazards (potential for loss) to an insurance carrier; (2) having those persons or interests using facilities or services of the association provide proof that they too have insurance coverage and name the association as an additional insured; (3) eliminating exposures so they are not a threat to the association's assets.

By requiring proof of insurance from others the LCPOA knows the other party has the protection needed should a loss occur and by naming the LCPOA on that party's policy, the LCPOA has done its utmost to protect it's assets – which belong to all members of the LCPOA.

WHERE TO FIND EQUINE COVERAGE

Should a member not find coverage under their homeowner's policy, or are unable to provide the additional insured endorsement, there are several markets that can provide such coverage on a stand alone basis. One of those markets is Equine Insurance Specialists, application attached, that can be accessed through SFI Insurance Services (Greg Balkovek, Agent/Broker) 1322 Butte St., Redding, CA 96001 (530-244-7446). Up to five horses can be covered with limits of \$1,000,000 per Occurrence for \$270 a year.

Equine Personal Liability

EQUINE INSURANCE SPECIALISTS
 3301 W. Purdue Avenue, Post Office Box 151
 Muncie, Indiana 47308-0151
 TEL: 800-723-9414 FAX: 866-207-8953
 www.insureyourhorse.com



Producer: _____ Number: _____
 Last Year's Policy #: _____
 Requested Effective Date: _____
Submit early to avoid any lapses in coverage.

Applicant: _____
 Mailing Address: _____
 City: _____ County: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____ Contact Person: _____

Is applicant currently insured? Yes No
 Most recent or present insurance company: _____ Annual premium: \$ _____

Do you lease any of your horses to others? Yes No
If yes, you are not eligible for Equine Personal Liability coverage. Ask your broker for more information on coverage options.

Have you had any liability claims or reported incidents in the past five years? Yes No
If yes, please explain all claims and reported incidents for the past five-year period. Give dates, cause of loss, and amount paid.

Have you had coverage cancelled or refused in the past five years? (Not applicable in Missouri.) Yes No
If yes, please explain.

<input type="checkbox"/>	\$ 1,000,000	\$ 2,000,000	\$ 250	\$ 20 each A.I.
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* G-Gelding, M-Mare, S-Stallion
 ** Please be specific. For horses used for driving/pulling/work, you must complete the Driving Horse Personal Liability Supplemental Application for coverage consideration. An additional premium of \$40 per horse will apply for eligible horses used for driving/pulling/work.

1. _____
 2. _____
 3. _____
 4. _____
 5. _____
Additional horses over 5 horses may be added at a cost of \$40.00 each.
 6. _____
 7. _____
 8. _____
 9. _____
 10. _____

Do you keep any of your horse(s) at locations that you own, lease, or occupy? Yes No
 If yes, please describe the facility and equestrian activities you and your horse(s) engage in.

Are all horses owned by the applicant? Yes No
 If no, please provide the following:

Name of Horse	Name of Owner	Address of Owner	Is there a written lease agreement (Yes / No)	Does the owner need to be named on an Owner Endorsement (Yes / No)

Additional Insureds
 List any additional insureds and their connection to your horse(s) for coverage consideration below. Additional premium will apply.
 (Do not list owners of horses you lease.)

Name:	Address:	Relationship:
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

Premium Calculation Section

Base Premium	Includes up to 5 horses. (Premium from page 1 based on limits selected.)	\$ _____
Additional Horses	Number of additional horses over 5 horses: _____ X \$40 each =	\$ _____
Driving Horses	Number of driving horses: _____ X \$40 each =	\$ _____
Additional Insureds	Number of Additional Insureds: _____ X \$20 each =	\$ _____
Total Annual Premium:		\$ _____

Regulatory Fraud Warnings

In Arkansas, Louisiana, and New Mexico
 ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES INCLUDING CONFINEMENT IN PRISON.

In Colorado, District of Columbia, Maine, Tennessee, and Virginia
WARNING: It is a crime to knowingly provide false, incomplete or misleading facts or information to an insurer for the purpose of defrauding or attempting to defraud the insurer or any other person. Penalties may include imprisonment, fines, denial of insurance benefits, and civil damages. In Colorado, any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance with the Department of Regulatory Agencies.

In Florida and Oklahoma
WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony.

In Kentucky, New York, and Pennsylvania
 Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties. In New York, the civil penalties may not exceed five thousand dollars and the stated value of the claim for each such violation.

In New Jersey
 Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

In Ohio
 Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

WWe understand that this is a policy of indemnity and will only provide a defense up to the point where the insurance company renders the coverage blank for settlement.

WWe understand and agree that any misstatement of warranty or fact on this application shall be considered a violation of coverage afforded under any policy issued on the basis of this application. WWe understand and agree that this application shall form a part of any policy issued. WWe understand that this application is not a binder. No coverage is provided for Race Horses and/or Horses in Race Training.

(Must be signed and dated)

Applicant's Signature: _____

Print Name: _____ Date: _____