



Livestock Insurance Policy Notice Requirements

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PRACTICE AREAS

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Imagine the shock of returning to your farm from out of town only to learn that your prize bull became ill and died soon after you left. Imagine the further shock when your insurance company advises you that it has denied your claim because nobody gave it proper or timely notice of the bull's illness and death.

Livestock insurance policies usually require that you give the company (or designated representative) prompt notice of an insured animal's illness, injury, or death. Insurers take these provisions very seriously, and many will deny claims on the basis that they were not given proper notice. When this happens, litigation sometimes follows.

MORTALITY INSURANCE

Livestock mortality insurance policies are designed to pay you a sum of money after an insured dies from illness, injury, disease, or accident. These policies may also provide coverage if an animal is stolen. As a condition to their issuance, these policies require that the insured animal be in good health and free from any injury, disease, or disability at the time the application is made. (In some cases the insurer could impose an "exclusion" which states that it will not cover certain pre-existing conditions.)

A common requirement of livestock mortality policies is that the animal owner provides the insurance company "prompt" or "immediate" notice of illness, injury, or death of an insured animal. These notice requirements vary among insurers.

AVOIDING DISPUTES

Notice disputes can be avoided. Here are some suggestions:

- 1. Read your insurance policy carefully.** Pay particular attention to its requirements, especially that you give the insurance company "prompt" or "immediate" notice of any injury or illness to the insured animals. Never assume that you will be relieved of strict compliance with burden, even if you never read your policy.
- 2. Give the insurer notice.** To help you satisfy the notice requirement, your policy will provide a 24-hour, toll-free number to contact the insurer or its designated claims representative. Most likely, this number will NOT be the number of the insurance agent that sold you the policy.
- 3. Keep notice information handy and share it freely.** Once you receive the emergency contact number, keep it on hand and give it to your staff, your veterinarian and everyone who may care for livestock in your absence. Before leaving town for a vacation or business trip, confirm that these people have the information in case you cannot be reached and will provide the insurer notice in your absence.
- 4. Prepare to call any time.** Prepare to make a notice call at all times. Insurers expect these calls all day, all night, and even on holidays.
- 5. Give the insurer the opportunity to speak with your veterinarian.** Some insurance companies might want to speak to the attending veterinarian, especially if a valuable animal is seriously ill and may be euthanized. Give the insurer that opportunity.

CONCLUSION

Remember, courts around the country have enforced notice requirements of livestock mortality policies. To best protect your property and avoid coverage disputes with your insurer, make sure you understand the notice requirement of your insurance policy and develop a plan to ensure compliance when and if an unfortunate or unforeseen situation arises.