



OFF TO THE RACES

by Mikhaila Crowie

The Grand National, the Royal Ascot and the Durban July often showcase a unique collection of fashion and are usually high on the list of social events. However, the face of horseracing has been marred by the recent deaths at the Grand National, the Dubai World Cup and last year's Durban July. While animal welfare organisations and horse race authorities go back and forth trying to reduce deaths and injuries, RISKSA looks at the costs and risks involved in order to protect horses competing in these events.

THE COST OF RACING

South African racing website, Racing Association, estimates the monthly cost of pre-training and spelling of a race horse at R4 000 – R8 000. The spelling of a horse is an opportunity to build body protein and vitamin reserves which may have become depleted during training sessions. It is also the period of time for the horse to reach race fitness. Full training sessions in Gauteng are priced at

R4 500 – R6 000 a month, while in the Northern Cape, Eastern Cape and Free State it will cost R4 000 – R6 000. These prices may include veterinary services but not extensive treatment and operations. This is why it is vital to have insurance cover for a horse, especially one that is competing. Christine Terblanche, director at Equine Insurance Brokers, says while the purchase of bloodstock insurance has decreased over the past few years due to the recession and over-production of yearlings, clients with large portfolios have mostly continued to invest in insurance cover for their bloodstock. She explains the insurance is based on a market-related value. The purchase price, whether the horse is sold at an auction or through a private treaty, would be the insured value. "After a horse has commenced racing, the bloodline and performance would be taken into account and likewise for a mare at stud, the bloodline and race record are determining factors." She clarifies that with respect to geldings, their insured value is related to the capacity to earn future stakes, as they have no value for breeding purposes on retirement. "A number of geldings are sold to Mauritius to continue their racing career." Equine Insurance Brokers, whose bloodstock insurance is underwritten by Lloyd's of London, offers tailor-

made packages for thoroughbred as well as equestrian disciplines.

The rates to insure a racehorse vary according to age, sex, exposure to risk and the type of policy arranged. Equine Insurance offers mortality cover as well as theft, transit cover, permanent infertility and ASD (accidents, sickness and disease). Premiums are payable annually, within 15 days of inception risk and are in relation to the risk exposure. Travelling expenses for a horse are quite expensive which is why, at times, most insurers cover the transportation of horses to and from competitions. Equine Insurance Brokers' local transit policy covers travel within South Africa and is included in the standard mortality policy. Wehann Smith, CEO and director of Kuda Insurance Administrators, says Kuda covers local as well as international transit. Kuda's core cover type is the mortality cover, which

insures the horse for 100 per cent of its insured value. The company also covers veterinary expenses and colic surgery, which Smith explains is valued at R50 000. The public liability cover is needed when a horse owner or trainer would like to avoid litigation costs should the horse cause damage or injury to a member of the public. Smith estimates the lowest value of a horse could be between R5 000 – R10 000. "The highest would be a stallion which is valued from R30 million to R40 million," he explains. Kuda uses an actuarial formula to calculate the value and risks for bloodstock insurance and it operates much like human life insurance. Factors include the value of the horse, as well as age and intended use. Racehorses and reining horses would demand higher-ticket policies. The risks of horseracing are often dangerous, ending in death. This has prompted many to question the future of horseracing worldwide.

THE UNACCEPTABLE FACE OF RACING

This year's Grand National in England saw the death of two horses, one of them being a prize-winning champion. According to the British Horseracing Authorities (BHA), the two horses were killed due to "factors one could neither have foreseen nor prevented". Professor Tim Morris, senior vet at the British Racing Authority, says the Grand National represents a challenge to horse and rider but says while it has inherent risks, they are working closely with stakeholders. "I don't think we should ban the Grand National, but there are elements of it which cause problems and we should deal with these."

Locally, the National Council of the SPCA has called for the banning of the Durban July and other horse race events after last year's tragic incident. Former Durban July champion, Big City Life, was put down after breaking the short cannon bone in the left front leg. Celeste Houseman, manager at the SPCA Farm Animal Unit, says this incident is a classic example of why the SPCA opposes horse racing. Peter Gibson, CEO of Racing South Africa, responded by saying that while the death of a horse is unfortunate, it is unfair for the animal welfare organisation to call for an end to racing. "The industry provides 24 times more employment than the casino industry per R1 million, in gross gaming revenue." Robert Garner, Phumelela's general manager of marketing and communications, agrees with Gibson and adds that it is unfair to attempt to save the animal. "The horse has to be immobilised for weeks and, as a result of the pain and stress, toxins are released into the system." Garner explains that this could often end in laminitis, which is extremely painful and at times fatal.

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CHALLENGES

Among the challenges facing the industry is the inability for South African-based horses to compete internationally. Racing overseas has become problematic due to international quarantine restrictions. Champion trainer Mike de Kock criticises the manner in which South African-trained horse are treated. "We are being held back because of an isolated incident with an ill horse. And now every horse has to go through such tough quarantine restrictions," he notes. Smith agrees and adds it is too expensive for SA-trained horses

to compete in events such as the Dubai World Cup.

Terblanche says owners and trainers have managed to reduce risks. With colic being one of the leading causes of death, strict export control procedures have been put in place to reduce the risk of African horse sickness. "Injuries resulting from racing and training are minimised by the maintenance of world-class training facilities and good maintenance of the tracks at the racecourse," Terblanche concludes.



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