

## Loaning advice for the person loaning a horse or pony (the loaner)

When you are sending a horse out on loan it is essential to have a formal agreement drawn up by a qualified lawyer that covers all the conditions of the loan. This will give you peace of mind in regard to your horse ensuring you are covered should anything go wrong and will cost from £300-£500. Below Equine Lawyer Jacqui Fulton outlines some of the reasons why it is so important to have a formal loan agreement.

Loaning a horse or pony is to many horse owners more important than the sale or purchase of a horse, because as the loaner you are taking the risk of putting a potentially valuable horse into the care and training of another person.

The most common dispute for a loaner to be aware of is a disagreement as to what was agreed in terms of who pays for what. If, for example, a large vet's bill is incurred, and there is no insurance to cover that bill, there may be a dispute over who pays it. It may be that the loaner is liable for the vet's bill given that they own the horse. However, if the loanee is the client of the vet in question, and if the loanee instructed the vet to attend the horse (which is most often the case given that the loanee has day to day control of the horse) the vet may have to pursue the loanee for payment of the bill.

A loan agreement will avoid this scenario and this is why it is important that the agreement states everything that has been agreed. It should be in writing, signed by both parties and, to protect the loaner, should deal with the following:

- The length of the loan period.
- The location at which the horse is to be kept and the loaner's inspection rights of seeing the horse.
- Who pays for the horse's costs of keep, farrier, veterinary fees, competition fees and worming etc?
- Who undertakes and pays for the horse's annual vaccinations?
- Who insures the horse?
- Does the loaner want to restrict the loanee from certain activities such as hunting or team chasing?
- Does the horse have any vices or problems, which the loaner should declare to the loanee?
- Is tack being loaned with the horse? If so, who insures and maintains it?
- Can the loaner terminate the loan agreement immediately if they are not happy with the standard of care?

There are invariably other issues that ought to be included within the agreement, which are specific to the particular loan and this is why the 'one size fits all' standard form loan agreement is not an ideal option to take when putting a loan agreement together.

An example of a specific requirement that should be included in order to protect the loaner is where the horse being loaned has undergone a hob day operation and specific care requirements must be included within the loan agreement to ensure that the horse is not put at risk. This requirement must be included within the loan agreement as in the event of a dispute it is very difficult to prove that such a term was agreed orally.

## Top Tips for the Loaner

1. Insist upon having references from the loanee to ensure that they are who they say they are and that they have the necessary equestrian experience.
2. Always insist that the loanee rides and fully tries the horse before a loan is agreed.
3. Agree a trial period before the loan commences. That way you can see how the horse is cared for with the loanee to ensure that you are comfortable that the home is what you require for him.
4. Ensure that either you keep the horse covered in respect of third party liability or that the loanee has done so. As the horse's owner you are potentially liable for any damage caused by the horse to a third party's person or property, as is the loanee (as the horse's keeper), hence it is essential that one or the other has the horse insured.
5. Do not expect that the horse is being properly cared for just because the loanee says so – take the time to go and see the horse regularly.

It is important to remember that this article does not constitute a formal loan agreement and that you must go to a qualified lawyer to have one drawn up. Petplan Equine customers can have their agreement drafted by Jacqui Fulton for the discounted price of £175 + VAT. To redeem this offer please visit the Rewards Room.