



<b><u>Decision Ref:</u></b>	2018-0204
<b><u>Sector:</u></b>	Insurance
<b><u>Product / Service:</u></b>	Farm & Livestock
<b><u>Conduct(s) complained of:</u></b>	Claim handling delays or issues Delayed or inadequate communication
<b><u>Outcome:</u></b>	Partially upheld

**LEGALLY BINDING DECISION OF THE FINANCIAL SERVICES AND PENSIONS OMBUDSMAN**

**Background**

This complaint concerns a dispute over the valuation of a mare following a claim under a Bloodstock Insurance policy.

**The Complainant's Case**

The Complainant held a Bloodstock Insurance policy with the Provider in relation to a Connemara Mare. The sum insured under the policy was €3,500 which was also the amount the Complainant paid for the mare in 2011. The Complainant explains that he specifically bought the mare for breeding and for her valuable bloodlines. He stated that at the renewal date in August every year, he insured the mare for €3,500 as he believed this represented a fair market value. Unfortunately, on 23 November 2016, the mare had to be put down on humane grounds due to a melanoma.

The Complainant submitted a claim under the policy and the Provider has offered to settle the claim for less than half the insured amount. The Complainant states that this does not reflect the market value of the mare. He states that he has asked one of the country's top show circuit horse/pony judges/inspectors to assess the mare's value, and he was advised that the value was €3,500.

The complaint is that the Provider has not dealt reasonably and fairly with the Complainant's claim and has failed to offer him the proper market value.

### **The Provider's Case**

The Provider has advised that it feels that the valuation it put on the mare is a fair valuation which was reached after it had engaged with independent valuers who returned a value of €1,000-€1,200.

In a letter to the Complainant dated 17 February 2017, the Provider states that it was willing to pay €1,200. It added "*we shall not be making any increase*". A file note of the Provider dated 1 March 2017 states "*we outlined [to the Complainant] that we were prepared to increase the offer to €1,500-€1,600 in order to conclude, however he was not interested*".

### **Decision**

During the investigation of this complaint by this Office, the Provider was requested to supply its written response to the complaint and to supply all relevant documents and information. The Provider responded in writing to the complaint and supplied a number of items in evidence. The Complainant was given the opportunity to see the Provider's response and the evidence supplied by the Provider. A full exchange of documentation and evidence took place between the parties.

In arriving at my Legally Binding Decision I have carefully considered the evidence and submissions put forward by the parties to the complaint.

Having reviewed and considered the submissions made by the parties to this complaint, I am satisfied that the submissions and evidence furnished did not disclose a conflict of fact such as would require the holding of an Oral Hearing to resolve any such conflict. I am also satisfied that the submissions and evidence furnished were sufficient to enable a Legally Binding Decision to be made in this complaint without the necessity for holding an Oral Hearing.

A Preliminary Decision was issued to the parties 24 July 2018, outlining the preliminary determination of this office in relation to the complaint. The parties were advised on that date, that certain limited submissions could then be made within a period of 15 working days, and in the absence of such submissions from either or both of the parties, within that period, a Legally Binding Decision would be issued to the parties, on the same terms as the Preliminary Decision, in order to conclude the matter.

In the absence of additional submissions from the parties, my final determination is set out below.

This complaint revolves around the valuation of the mare. The Complainant states that the appropriate market value for the mare at the time of her unfortunate death was €3,500. The Complainant has provided a copy of a letter dated 14 January 2017 which was prepared by Mr F who is a judge and inspector of horses. He states that he researched the mare's pedigree and progeny's performance and can confirm that the mare has produced exceptional stock with progeny being exported to Holland and England with one of her stock achieving €8,000 at the sales. He states "*on average, one would expect to get three or four*

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*more foals off the mare. It is my opinion, as a judge and inspector of horses that the mare's owners are at a considerable loss of income due to the death of the said mare".* He suggests that the sum insured of €3,500 would reflect a reasonable compensation package in this matter.

The Provider on the other hand states that the claim relates to an 18 year old Connemara mare that was not in foal at the time of death in November 2016. The Provider points out that the Complainant paid a sum of €3,500 for the mare in 2011 when she was aged 13 and was in foal to a champion Connemara stallion. The Provider submits that at aged 18, and not in foal, a value of €3,500 does not represent a fair market value. The Provider points out given that the mare was 18 years old, and approaching her final years of breeding, and given that she was not in foal at the time of loss, the Provider does not consider it reasonable to suggest that the mare could be valued at €3,500 at the time of her death.

The Provider consulted an equestrian consultant at a County Wicklow Stud Farm which placed a market value on the mare of €1,200 at the time of loss, a local Connemara breeder and eventer in the Carlow region who advised that a maximum value of €1,000 would be achievable in the market for an 18 year old broodmare and not in foal.

In addition, the Provider consulted a sports horse dealer in Wicklow who indicated that they felt that €1,000 would be at the higher end of the mare's market value as of November 2016. Finally, the Provider consulted with Clifton Connemara sales report from its October 2016 sale. That report recorded that in-foal Connemara mares at that particular sale made between €1,200-€1,800. There were two incidents of in-foal mares making €2,400 in €2,650 respectively. The Provider submits that these mares were in foal at the time, unlike the Complainant's mare who was not in foal at the time of her death.

While both parties have provided differing samples of valuations on this type of mare, this demonstrates that such valuations are by no means an exact science.

This Office has been provided with the Complainant's Bloodstock Insurance schedule for the period 29 August 2016 to 28 August 2017. It provides that the Complainant's mare was insured for a sum of €3,500. However, it goes on to state as follows :

*"Note 1: The liability of the company shall not exceed the sum insured shown above or the market value immediately prior to any loss whichever sum shall be less".*

I accept that simply because the mare was insured for €3,500, this is not confirmation of her value.

It is clear that putting a value on an animal such as the Complainant's mare is not an exact science.

That said, it is important when assessing the value of any insurance claim that every effort is made to arrive at a fair and reasonable value. This requires that as much research and facts as possible are taken into account in arriving at a value.

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In that regard, it appears to me that Mr. F, in arriving at his valuation, took into account a number of factors relating to the particular mare in question and her progeny by comparison to the more general valuation furnished by the Provider.

For this reason, I partially uphold this complaint and direct that the Provider pay a sum of €3,000 to settle the claim.



## **Conclusion**

My Decision pursuant to **Section 60(1)** of the **Financial Services and Pensions Ombudsman Act 2017**, is that this complaint is partially upheld on the grounds prescribed in **Section 60(2)(b) and (g)**.

Pursuant to **Section 60(4) and Section 60 (6)** of the **Financial Services and Pensions Ombudsman Act 2017**, I direct the Respondent Provider to make a compensatory payment to the Complainant in the sum of €3,000, to an account of the Complainant's choosing, within a period of 35 days of the nomination of account details by the Complainant to the provider. I also direct that interest is to be paid by the Provider on the said compensatory payment, at the rate referred to in **Section 22** of the **Courts Act 1981**, if the amount is not paid to the said account, within that period.

The Provider is also required to comply with **Section 60(8)(b)** of the **Financial Services and Pensions Ombudsman Act 2017**.

The above Decision is legally binding on the parties, subject only to an appeal to the High Court not later than 35 days after the date of notification of this Decision.

**GER DEERING**  
**FINANCIAL SERVICES AND PENSIONS OMBUDSMAN**

19 October 2018

Pursuant to **Section 62** of the **Financial Services and Pensions Ombudsman Act 2017**, the Financial Services and Pensions Ombudsman will publish legally binding decisions in relation to complaints concerning financial service providers in such a manner that—

(a) ensures that—

- (i) a complainant shall not be identified by name, address or otherwise,
  - (ii) a provider shall not be identified by name or address,
- and

(b) ensures compliance with the Data Protection Regulation and the Data Protection Act 2018.