



# Is That New Bull Worth Insuring? Most Likely

by Sue Roesler, The Prairie Star

Producers may spend hours searching bull sales for that perfect purebred bull for their herd.

When they get their high-value bull home, they realize they have just paid several thousand dollars for this new purebred bull, or even into the five or six digit area.

And at Holden Herefords, near Valier, Mont., one Hereford bull, 4075B, brought in a price of \$240,000 in 2015 at their annual bull sale, according to Jack Holden.

So are these valuable bulls – or even a whole herd – worth buying an insurance policy for?

“Yes,” says Tyler Holland with PayneWest Insurance out

of Bozeman, Mont. “Having an insurance policy protects your investment and spreads your risk – just like crop insurance does.”

Bull prices have gone up considerably, and it is not unusual to pay from \$7,000-\$9,000 for a bull or even from \$10,000-\$15,000, Holland says.

“We have seen the prices of bulls go up, and it makes good sense to insure a high-value animal like a bull or even a replacement heifer,” he says.

If that animal was injured from natural disaster like a blizzard or a tornado or was hit by lightning, or injured a foot and could not travel or had a disease, the producer would take a big hit to the bottom

line if he didn't have a policy. “It makes good sense to transfer that risk to someone else,” Holland says, comparing insuring cattle to insuring a new pickup.

“It is just like insuring your brand new auto or your home. If you have a new car, you want a good policy,” Holland says. “A bull is a big expense item for a ranch.”

According to Holland, if a producer purchased an individual coverage policy at PayneWest for an \$8,000 bull, the producer would pay 10% or \$800 for a year.

“Insurance policies are very reasonable, and an individual coverage policy is usually reserved for a higher-value animal like a bull or even a good replacement heifer,” Holland says, adding PayneWest's policies are usually for written one year, beginning from the time the producer purchases the bull.

However, Holland says every insurance agency has different coverages and prices.

“If you buy a bull today, that policy at PayneWest is good for one calendar year” he says, adding it takes the producer through an entire breeding season.

Then the producer could do another fertility test and if the bull doesn't pass, he could still file a claim, Holland says.

Other insurance coverages for livestock include blanket coverage, which is a policy insuring all your farm property for a predetermined value, he says.

Herd coverage is a broader, whole-herd insurance where a

producer could insure a specific number of animals.

Holland says not enough ranchers know about insuring their animals, but in these days of higher prices, it makes good sense to learn about insurance for their livestock.

“These cattle are the most important assets on the ranch and they provide the cash flow. Why wouldn't you want to invest in an insurance policy?”

Holland says his company is paying out on claims every day, and has sold to nearly every state in the country.

“The rancher world is really small and your reputation means everything. PayneWest has been insuring for 49 years,” he says.

Holland has his own cow-calf herd and insures his animals, just as his clients do.

“I saw how the claims worked, and now I would not go without insuring my own cows,” Holland concludes. **HW**



**“We have seen the prices of bulls go up, and it makes good sense to insure a high-value animal like a bull or even a replacement heifer.”**

— Tyler Holland