

Communicating with the Purchaser Before, During and After the Purchase Examination

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Abstract

Buyers expect much from the veterinarian examining a prospective horse for purchase. To compound this, the veterinarian is the gatekeeper in a highly unregulated transaction. The examining veterinarian must determine precisely what the buyer's expectations are for the examination and their prospective new horse. How we communicate our findings to them is critical for helping them make an informed purchasing decision.

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Summary:

Buyers expect much from the veterinarian examining a prospective horse for purchase. To compound this, the veterinarian is the gatekeeper in a highly unregulated transaction. The examining veterinarian must determine precisely what the buyer's expectations are for the examination and their prospective new horse. How we communicate our findings to them is critical for helping them make an informed purchasing decision.

Keywords:

Horse, Vetting, Seller, Buyer, Examination

Equine veterinarians are the gatekeepers in the highly unregulated business of buying and selling horses. There are very few financial transactions that have less security than buying a horse. Gone are the days when a “vetting” was looking at the eyes, listening to the heart, and jogging the horse for soundness. Today's buyers expect that everything is known about the horse they are interested in purchasing; no stone may be left unturned.

Before veterinarians were asked to evaluate a prospective horse, buyers would perform their own evaluation. As veterinary science matured and veterinarians' knowledge of horse health exceeded that of an experienced horseperson, veterinarians performed the purchase evaluation.

Although many horses are sold in good faith and are fairly represented, many are not. Therefore, it is incumbent on veterinarians to ensure that their clients are fully informed before making a purchase decision. The term “vetting” is now synonymous with a thorough investigation of every potential acquisition, from the purchase of a business to the selection of a political candidate.

Who influences the buyer's decision to purchase a horse?

- The trainer, or buyer's agent, often does the heavy lifting in finding a horse for a prospective buyer. They are typically rewarded with a commission, but only after the horse is purchased. Consequently, when the buyer's agent has selected a horse for the buyer and the purchase exam has been performed, there is significant pressure placed on the buyer to finalize the purchase decision.
- The seller has the most significant conflict of interest when representing the virtues of a horse for sale. As far as they are concerned, the horse they are selling is perfect for the buyer, and if your client does not want to purchase the horse, they claim to have many buyers who will. It is, therefore, important to expedite the final purchase exam review to reduce the pressure sellers place on buyers.
- The veterinarian remains the most objective source of information regarding purchasing a horse. The veterinarian will receive a set fee regardless of the outcome or sales price, and most veterinarians care deeply that their clients purchase the right horse.

Before the examination:

What a buyer expects from a purchase examination can be daunting. Buyers may be willing to live with imperfections, but surprises are unwelcome. The veterinarian must answer the following questions before proceeding with the examination:

- At what level will the horse be ridden or competed?
- Does the buyer intend to do less than the horse currently does?
- Does the buyer intend for the horse to do more than it currently does?
- What is the experience level of the intended rider?
- An advanced rider will expect more from a horse athletically.
- A novice rider will expect more from a horse behaviorally, and safety is paramount.
- Is the new horse expected to bring the rider to the next level of competition?
- The veterinarian must not opine on the horse's suitability to the rider.
- Where will the examination take place, who will be in attendance, and who will ride the horse?
- Is the horse intended to be resold?
- Is the prospective buyer represented by an agent (trainer), and are they privy to all information from the exam?

Likewise, there is information the prospective buyer must know before formalizing the purchase exam:

Does the veterinarian have a thorough knowledge of the equine discipline in which the horse will be involved?

Are there any conflicts of interest between the veterinarian and the horse, the owner of the horse or the agent selling the horse?

- Which ancillary services are offered by the veterinarian?
- Radiographs
- Ultrasound
- Endoscopy
- Gait analysis with inertial sensors
- Blood tests
- Reproductive exam
- Photographs and video
- How will the findings be communicated?
- When will they be communicated?

The seller is asked to disclose the medical history and all previous diagnostic images from all providers. Some veterinarians will only proceed with a purchase examination with a complete medical history from the prior veterinarians. It is also possible to search online for performance records within the sanctioning body in which the horse competes. It is not the responsibility of the examining veterinarian to search for a horse's

performance record, but the veterinarian must inquire if a horse has rested from riding or competing due to an injury.

Documentation and communication

It is important to obtain signed documents from the buyer and seller before the examination. The following documents are recommended (Werner, 2022):

- Client Agreement Form: this document formalizes the relationship between the buyer and the veterinarian. This should be done for all new clients, particularly those who will not use the veterinarian's services after the purchase exam.
- Veterinary Care Plan: this document outlines the services recommended by the veterinarian and the cost of those services. Potential buyers can select or decline specific services such as imaging and bloodwork.
- Buyer Agreement Form: this signed document states that the buyer understands the scope of the services offered by the veterinarian and how they intend to pay for the examination. This form allows the buyer to assign their trainer or buying agent to act as their proxy and to have access to the information generated at the purchase exam.
- Seller Agreement Form: this signed document is a disclosure from the seller stating the horse's past use, competition, and medical history. The completed Seller Agreement Form will allow the veterinarian to obtain the medical history from the horse's past and present veterinary caregivers and farriers.
- Release of Liability by the rider or handler: this signed form mitigates the veterinarian's risk if the horse's rider or handler is injured during the examination.

A quick phone call to the client on the way to the appointment is always appreciated by the buyer. It is an opportunity for the veterinarian to summarize what they will be doing for the client. It allows the client to express any last-minute concerns about purchasing the horse.

Many newly purchased or leased horses will be insured for mortality and major medical events. The veterinarian should know before the examination if the horse will be insured so the findings can be adequately identified on the required veterinary certificates of examination. The veterinarian must be aware that their findings might lead to an exclusion on a major medical or mortality policy. It is not the veterinarian's responsibility to know which findings will lead to an exclusion, but it is important to alert the buyer to those findings which may lead to an exclusion. It is recommended that the examining veterinarian report all abnormalities to the insurance company with an appropriate explanation as to the abnormality's clinical relevance. Simply put, fully answer all questions but provide proper perspective. This approach will minimize the possibility of an exclusion by the insurance company while, at the same time, providing full and honest disclosure.

Performing a Purchase Exam for a Non-Client:

It is much easier to understand the needs of a buyer if they are a longstanding client. Conversely, understanding the expectations and risk-taking abilities of a new or out-of-town client is far more difficult. It is even more important that the veterinarian point out any conflicts of interest that might exist between them and the seller, the seller's agent, and the horse for the out-of-town client. This includes any interaction with the horse and the veterinarian's practice. Since the veterinarian does not have a relationship with the buyer, completing the buyer and seller forms before the examination is crucial. It is also essential that the veterinarian communicate all findings to the buyer, their agent, and the buyer's veterinarian.

The Lease Examination:

The lease examination is performed with more and more frequency. In the author's practice, lease examinations are performed with the same frequency as purchase examinations. So, what is the difference between

these two examinations? The short answer is nothing. The client seeking a lease examination is doing so to reduce the risk of legal custody of a depreciating asset. Even though they wish to reduce said risk, they are more willing to take chances with a horse's soundness. It is necessary to identify those risk factors as carefully for the lease examination as for a purchase examination. Clients also prefer lease agreements because they only need a horse for a preset period of time.

Clients will use the findings of the lease examination to negotiate the terms of the lease agreement between the lessor and the lessee. Some findings will be used to determine clauses in the lease agreement acknowledging preexisting conditions. For example, if a finding leads to lameness that renders the horse unusable, and it was noted in the lease agreement, the lease may be terminated with or without a return of a portion of the lease payment. It is important to remember that insurance companies may require a copy of the lease agreement for mortality and major medical policies. Clauses in the lease agreement pertaining to a specific soundness issue may be disclosed to the insurance company and result in unwanted exclusions to the policy.

The term of the lease agreement (the length of time for the lease) is also a factor that clients use to determine how much risk they can assume for a prospective lease. Less risk will be assumed for shorter lease periods. Although one year is the typical term for leasing horses, shorter terms are common.

Lessees will often decline diagnostic imaging of horses for a lease examination, making it even more important to review existing radiographs. A horse's history is also critical to obtain before the examination to forecast the need for routine joint injections and to help the client determine if preexisting conditions need to be included in the lease agreement.

During the examination:

If the prospective buyer is present for the exam, it is important that after the clinical portion of the exam, the veterinarian summarizes the findings before proceeding with imaging and blood tests. If the buyer is not at the exam, a phone call to them or their agent is important, especially if there is an equivocal finding. The details of this conversation, including any questions or concerns expressed by the buyer or their agent, should be included in the purchase examination report.

After the examination:

Once the examination and all ancillary services are concluded, the veterinarian will complete the purchase report and send it to the prospective buyer as quickly as possible. The report represents the highest level of accountability for the veterinarian, so its accurate and timely completion is vital. Since buyers are awaiting the examination findings before making a final purchase decision, it is essential that they have a chance to review the written report and have a follow-up conversation with the veterinarian within a day of performing the examination.

The report can be drafted on a paper template, in a digital format such as Microsoft Word, Excel, or on your practice management software. Once completed and signed, the final version can be scanned or converted into a secured PDF format and emailed to the buyer along with other documents, photographs, and videos. The report can be sent to the buyer in many different ways. It may be copied and pasted into the body of an email message or scanned and sent as an attachment. It is important not to send the report in a format that is alterable, such as Microsoft Word or Microsoft Excel.

Technology allows for photographs and videos to be taken as needed and sent to the buyer to make an informed purchase decision and as a baseline for future reference. Sending media as an email attachment will quickly exceed the file size limit. File-sharing programs such as FileShare and Dropbox will allow for folders to be created with unlimited storage capacity and are easily shared with other users. A link to these folders can be emailed to the buyer, which will allow them to view all documents, photographs, and videos taken during the pre-purchase exam.

Once the prospective buyer has received all data from the examination, except for blood test results, the veterinarian and buyer must talk to review all material, most notably the report generated from the examination. A face-to-face meeting, phone conversation, or Zoom meeting should be scheduled and open-ended. The buyer must ask whatever questions they may have and the veterinarian must answer these questions as thoroughly as possible. Again, the details of this conversation should be summarized and archived.

The last piece of information before a purchase decision can be made is the drug test result. Veterinarians should inform the buyer as soon as possible when this result is returned so they can tell the seller when the final purchase decision can be made.

In the author's opinion, the purchase examination represents the highest level of responsibility that equine veterinarians have for their clients. Consequently, it is incumbent on the practitioner to understand what the prospective horse buyer requires and expects from the purchase examination process. Once established, the purchase exam will proceed with fewer conflicts and a better outcome for the buyer.

Conflict of Interest:

No conflicts of interest are declared

Funding Information:

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Ethics Statement:

Adhered to the AVMA Principles of Veterinary Medical Ethics

References:

Harry Werner, Personal Communication

