

BUSINESS FIRST

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A sure bet: Insurance executive found way to pair his passion with his work

Business First of Louisville - by [Kym Voorhees Raque](#) Business First Correspondent



Photo by Ron Bath
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If there is one man in Louisville who truly loves his job, it's Alex Rankin, president of **Sterling G. Thompson Co.**, an insurance company that sells policies for home, health, life, auto and horses. Yes, horses.

Rankin began working in this niche industry in 1982, the same year he purchased his great uncle's cattle farm in Goshen and turned it into a Thoroughbred horse farm.

The following are answers compiled from an interview with Rankin, who said his firsthand experience in the industry helps him evaluate a horse's worth, work with clients to determine the appropriate policy for their needs and assist with overall risk-management issues associated with owning horses.

How much of your business is for horses?

"About 10 percent of our total business is insurance for the horse industry, which includes life insurance policies on horses, insuring farm operations and everything that goes along with being a Thoroughbred owner.

"About three years ago, we added two gentlemen in Lexington who work on the equine-mortality business there. Lexington is a larger market for this type of insurance since there are more farm operations in the area."

How much are premiums for a racehorse?

"The cost range (is) based on the size of the policy but generally it is 4 to 5 percent of the value of the horse. The valuation of blood stock (horses used for racing) is the most essential piece to this business. The premium is based on the valuation and age of the animal.

"Determining the value of a horse is not an exact science. It really helps to have knowledge of blood-stock markets so you can negotiate an acceptable value for the horse."

How do you determine the value?

"First you have to know what kind of horse it is -- broodmare, stallion or racing horse. For a broodmare, you look at her production record and determine how well her prodigy has done.

"If it is a racehorse, you look at the race record to see what kinds of races the horse has competed in and how he placed.

"If you don't have a production record or a race record, you look at where the horse came from -- its pedigree -- to determine how its mother, father, brothers and sisters have done. It's not an exact science, but there is lots of information out there to help."

What do you like most about this job?

"I love the common interest I share with my clients. It is very satisfying, rewarding and fun to be involved in the Thoroughbred business. When one of the horses we insure is competing in a big race, everyone around the office gets really fired up.

"And when one gets injured, everyone feels the loss. That's the downside. You wouldn't be in this business if you didn't love it. It's too tough otherwise."

Do issues arise with this type of insurance?

"A vet once said there are two kinds of race horses: those that are hurt and those that are about to become hurt. These are fragile animals, and when they become hurt, it's very emotional.

"It's not like totaling your car. This is a living creature. You're talking about an economic loss as well as a personal one. There is lots of hand-holding that goes on" when a horse gets hurt.

Have you insured any famous horses?

"Sarava, who won the 2002 Belmont Stakes, was one of ours. Of course, I watched the race and called the owner on his mobile afterwards. About 30 minutes later, he called me back and said, 'We need to increase his insurance policy.'

"These policies are dependent upon the value of the horse, so when (a horse) wins a big race like Belmont, his value goes up tremendously. We worked the rest of Saturday and Sunday to increase his coverage. This business moves very fast."

R. Alex Rankin

Jobs: President, Sterling G. Thompson Co.; president and owner of Upson Downs Farm, a Thoroughbred breeding farm in Goshen, Ky.

Education: Bachelor's degree, University of North Carolina, Chapel Hill

Certifications: By the Casualty & Property Insurance Underwriter Society

On the job: Since 1982

Previous experience: 1977-1982, banker for First National Bank of Louisville

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