

Pet Insurance Fact Sheet

www.pet-insurance-university.com

What is Pet Insurance?

Pet health insurance helps cover the cost of medical expenses should your pet become ill or have an accident. Some pet insurance companies also offer Routine and Wellness coverage (vaccinations, annual wellness exams, spaying/neutering, heartworm testing/medications, etc) for an additional fee.

What is the Best Way to Use Pet Insurance?

Plans that cover Routine and Wellness procedures are available, but are not always best. It is possible that you will pay more in premiums than you get back if your pet stays relatively healthy, therefore pet insurance should be used as a risk management tool not as a way to save money.

Pet insurance is best used for unexpected, catastrophic medical events which are difficult to budget for. If you can cover the "worst case scenario costs" out of your own pocket, then you may not need pet insurance.

How does Pet Insurance Work?

Pet insurance is similar to human health insurance in that it:

- Has premiums, deductibles, co-pays and maximum payouts.
- Does not cover pre-existing conditions.
- Has waiting periods that define when coverage starts. Companies can also have different waiting periods for different medical conditions.

Pet insurance differs from human health insurance in that:

- It is a reimbursement program. This means you pay the vet bill, and then you file the claim with the pet insurance company for reimbursement. You will have to have some means to pay the veterinary bill while you wait for reimbursement from the pet insurance company.
- Pet insurance companies do not use networks. You are able to visit any licensed veterinarian in the US. Some plans also allow you to visit a licensed veterinarian in another country while traveling.

How to Select a Pet Insurance Plan

To get the most comprehensive coverage, you want to purchase a plan that covers accidents/injuries **AND** illnesses. The illness part of the coverage should include (these are common ailments in veterinary medicine):

- Coverage for Chronic Disease: Chronic diseases are illnesses that have long duration and generally slow progression. Examples include: cancer, heart disease, chronic kidney disease, and chronic liver disease.
- *Continual* Coverage for Chronic Disease: If you do not get this coverage, the chronic disease will only be covered in the policy year it was diagnosed, after that, you will have to pay for any continuing medications or diagnostic monitoring yourself. Treatment for most chronic diseases will last beyond the first year of diagnosis.
- Coverage for Hereditary & Congenital Diseases
- Coverage for Diseases that are Common to your Pet's Breed

What about Accident Only Policies?

As the name implies, "Accident Only" policies cover accidents only. "Accident Only" policies tend to be much cheaper but they do not cover illnesses. Also, as a pet ages, the number of accident related injuries decreases in comparison to the number of illness related conditions. In addition, what a pet owner considers to be an accident is not necessarily what a pet insurance company considers to be an accident. For example, some companies will not cover conditions like foreign body ingestion or cruciate injuries in their "Accident Only" policies.

Key Points Regarding Pet Insurance

- ✓ Do not wait until your pet has an illness or injury before you buy pet insurance as it will be considered a pre-existing condition and will not be covered by your policy.
- ✓ Read the terms and conditions of the pet insurance plan. Make sure you understand all the exclusions and requirements listed in the policy.
 - **Exclusions** are medical conditions that are not covered by the plan. Ask the company for a list of exclusions based on your pet's past medical history and breed, as well as their bilateral conditions policy (conditions that can happen on both sides of the body, like hip dysplasia or cruciate tears).
 - **Requirements** are things you must do to remain insured (e.g. annual exams, animal must reside a place of residence listed on policy, submission of medical records, and adherence to the vaccination recommendations).
- ✓ Make sure you ask the company how and when your premium can increase.
- ✓ Make sure you understand what the company's waiting periods are as it will vary from company to company.
- ✓ Know which states are covered by the plan. Not all pet insurance companies are licensed to sell insurance in all states. Therefore, before buying a pet insurance plan, make sure the company sells plans in your state and any state you may be thinking of moving to. In that case, make sure the coverage will be the same in the new state.
- ✓ Pet insurance companies are businesses. As businesses, one of their top priorities will be to make a profit. They can and may change your rates and terms to meet that top priority.

Choosing a Pet Insurance Company

Research a pet insurance company's reputation using:

- www.petinsurancereview.com
- Better Business Bureau
- Your State's Department of Insurance

The underwriter is the company that is financially responsible for paying your claim. Use AM Best's website to research the strength of the underwriter.

Visit <https://www.consumeraffairs.com/pets/pet-insurance/> for more info as well as reviews and comparisons of various pet insurance companies.