

BRANDNER VETERINARY HOSPITAL

347 LAKEVILLE STREET, PETALUMA, CA, 94952, 707-762-3549

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Pet Insurance Overview

What Is Pet Insurance?

Pet health insurance helps cover the cost of medical expenses if your pet becomes ill or injured. Some pet insurance companies also offer routine or wellness coverage such as annual wellness exams, vaccinations, spaying/neutering, heartworm testing, and preventative medications.

Is Pet Insurance Right For You?

Typically pet insurance is best used for unexpected, catastrophic medical events which are difficult to budget for. If your pet stays relatively healthy, you may pay more in premiums than you get back. Therefore, pet insurance—like any other insurance—is best used as a risk management tool rather than as a way for you to save money.

Routine or wellness procedures are not always best handled with pet insurance. Sometimes the annual cost of adding routine or wellness care to your plan ends up costing more than if you paid for these procedures out of your pocket at the time services are performed. Therefore, be sure to look into the insurance plan carefully, and do the math before you buy.

Similarities to Human Health Insurance

1. Has premiums, deductibles, co-pays, and maximum payouts.
2. Does not cover pre-existing conditions.
3. Has waiting periods that define when coverage starts. The length of the waiting period may depend on the type of medical condition in question.

Differences from Human Health Insurance

1. Pet insurance is a reimbursement program. You pay the veterinary hospital, and then you file the claim with the pet insurance company for reimbursement. It is very different from human medical insurance where the doctor files the claim and receives the payment directly from the insurance company. Please note that you still will need some way to pay the medical bill while you wait for reimbursement from the pet insurance company.
2. Pet insurance companies do not use networks. Typically, you may visit any licensed veterinarian in the United States. Some plans also allow you to visit a licensed veterinarian in another country while traveling.

Selecting a Pet Insurance Plan

Your needs will depend on your budget, lifestyle, pet's breed, and geographical location. When evaluating a pet insurance company or plan, look for the following attributes:

1. Good Medical Coverage:

The most comprehensive plans cover accidents and illnesses (and sometimes wellness). Illness coverage should include common ailments, chronic diseases, hereditary and congenital diseases, and conditions common to your pet's breed. *Chronic diseases* are illnesses that have a long duration such as allergies, heart disease, kidney disease, liver disease, and some cancers.

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It is important to check if the insurance plan will continue to cover a chronic condition beyond the first year. In addition to chronic diseases, you may want to consider a plan that covers dental disease which is a very common recurring health problem.

2. **Good Reputation:**

You can get a good idea of a pet insurance company's reputation by using www.petinsurancereview.com and checking with your state's Department of Insurance. Consider how long the company has been around. To evaluate the strength of the underwriter company that is financially responsible for paying your claim, you can use www.ambest.com.

3. **Maximum Payout Limit:**

The *maximum payout limit* is the maximum amount of money that the insurance company will reimburse to you. This payout limit can be annual, lifetime, per incident, per body system, or based on a predetermined benefit schedule. You want to pick a maximum payout structure that will cover the worst-case scenario.

4. **Affordable Premium**

5. **Pays Claims in a Timely Fashion**

6. **No Unreasonable Exclusions and Requirements:**

Exclusions are medical conditions that are not covered by the plan. *Requirements* are things you must do to keep your pet insured such as annual exams, vaccinations, submission of medical records, and living at the place of residence listed on the policy. The exclusions and requirements are written in the pet insurance company's terms and conditions. It is important that you read this document before and after you buy a policy so that there are no surprises.

Exclusions

Ask the company for a list of exclusions based on your pet's breed and past medical history. Usually you have to purchase the policy first to receive this type of review, and you will have to submit medical records. If you don't like what is on the list of exclusions, you can cancel the policy within the money back guarantee period. Please note that not all pet insurance companies offer this option.

Pre-existing Conditions

Pre-existing conditions are injuries or illnesses that started or occurred prior to the activation of your policy. Insurance companies differ in the degree of coverage for pre-existing conditions.

Bilateral Conditions

A *bilateral condition* is any condition that can occur on both sides of the body. Examples include hip dysplasia and knee injuries. Some companies have restrictions on how much they will cover for these types of conditions.

Location Restrictions

Not all pet insurance companies are licensed to sell insurance in all states. Therefore, before buying a pet insurance plan, make sure that the company sells the plan in your state and any state that you may be thinking of moving to in the future. Typically, you may visit any licensed

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veterinarian in the United States, and some plans also allow you to visit a licensed veterinarian in another country while traveling. Coverage may not apply if you *move* to another state.

Age Restrictions

Enrollment age is the age your pet must be to sign up for a new policy. There is usually a low and high end. The range may differ depending on species and breed.

Accident Only Policies

As the name implies, these policies only cover accidents. They do not cover medical costs caused by illnesses. These policies tend to be much cheaper than the more comprehensive policies that include illnesses. Keep in mind that as a pet ages, the likelihood of accident related injuries decreases in comparison to the likelihood of illnesses. Also, pet owners and insurance companies may have different ideas on what constitutes an accident. For instance, some insurance companies will not cover a foreign body ingestion (“My cat ate a piece of string!”) or ligament injuries of the knee (“My dog started limping after he jumped off the couch!”). If you intend to buy an Accident Only policy, make sure you know what you are getting for your money.

Ten Key Points

1. Never buy pet insurance without doing your own research.
2. Do not wait until your pet has an illness or injury before you buy pet insurance because it will be considered a pre-existing condition, and the policy typically will not cover it.
3. Do not pick pet insurance solely based on the cost of the premium. Make sure that you understand the monetary and medical coverage that it provides. Make sure that you understand how and when your premiums can increase.
4. Read the terms and conditions of the insurance plan. Make sure that you understand all of the exclusions and requirements including those pertaining to breed specific exclusions, pre-existing conditions, and bilateral conditions.
5. Know the enrollment age range.
6. Know which states the insurance company is licensed in. Know which policies are available in your state or any other state that you may live in the future.
7. If you switch pet insurance companies, any medical conditions your pet had under the old company may be considered a pre-existing condition by the new company.
8. Pet insurance is a reimbursement program. You file the claim with the pet insurance company, and they reimburse you according to your policy’s terms and conditions. You still need to pay the veterinary hospital at the time services are rendered.
9. Pet insurance companies are businesses with shareholders, and one of their top priorities will be to make a profit. They may change your rates and terms to meet this priority. A change of business ownership or underwriters can also be a catalyst for changes in your rates and terms.
10. The insurance companies are there to directly serve you and your pet. They do not have any affiliation with the hospitals providing medical services. This means that you (rather than the doctors and hospital staff) will be responsible for contact with your insurance company. If you or the insurance company need significant assistance from the veterinarians or the hospital staff (copies of records, letters answering questions, phone consultations, etc.), the veterinary hospital may require a fee for such help.

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Questions To Help You Choose a Pet Insurance Provider

1. Is the company licensed in your state? Can you see any veterinarian you want?
 - Will coverage still apply if veterinary care is provided outside the state in which you live?
 - Will coverage still apply if traveling to another country?
 - Will coverage still apply if you move to another state?
2. Does the company have a good reputation? How long has the company been around?
3. What conditions/situations does the policy cover?
 - Does it cover illnesses or only accidents?
 - Does it cover chronic diseases?
 - If yes, for how long?
 - Does coverage change after 1 year from the initial diagnosis?
 - Does it cover hereditary and congenital diseases?
 - Does it cover dental disease including tooth extractions?
 - Does it cover wellness or preventive care (vaccines, fecal exams, parasite prevention, etc.)?
 - Can a previously covered condition be classified as “pre-existing” upon policy renewal?
 - Can a previously covered condition be classified as “pre-existing” upon switching plans?
4. Are the exclusions and requirements reasonable?
 - Consider breed and age.
 - Consider hereditary conditions, congenital conditions, and pre-existing conditions.
 - Consider bilateral conditions and chronic diseases (allergies, heart disease, kidney disease).
 - Consider dental disease.
5. Is the premium affordable and reasonable?
 - How and when can premiums increase?
 - Do premiums and coverage change as your pet gets older?
 - Have premiums increased over the past few years?
 - Are there any additional billing fees?
 - Is the deductible per year, per condition or both per year and condition.
6. What is the maximum payout limit?
 - Are limits annual, lifetime, per incident, per body system, or on a predetermined schedule?
7. Are there any reasons you would not be able to renew your policy?
8. Are there any reasons the policy can be cancelled (other than non-payment)?
9. How quickly are claims processed and paid? What is needed to submit a claim?
10. How long is the waiting period before coverage begins?
11. Are the terms and conditions easy enough to understand?
12. Does the company offer customer service during reasonable hours?
13. Are customer service representatives knowledgeable and helpful?

This document is largely derived from information and text provided courtesy of Frances Wilkerson, DVM (www.pet-insurance-university.com).