

# What Is Pet Insurance?

What happens to your pet in the case of an emergency, such as a car accident or a sudden illness? Aside from the physical and emotional turmoil to your pet and your family, an incident can bring financial turmoil as well. The medical bills arising from such unfortunate events can be sudden and costly. Even worse, pet owners can find themselves in the position of making decisions based on cost, not necessarily what is best for their pets. There is a solution that may be right for you.

Just as people have health insurance, pets can too. With people, health insurance helps ease the stress of medical expenses and it can provide the same benefit for pet owners as well.

Several pet insurance companies exist inside the United States. The major companies providing benefits are as follows:

VPI Pet Insurance: (888) 899-4874

Pet Care Insurance: (866) 275-7387

Pet's Health Care Plan: (800) 807-6724

QuickCare Pet Insurance Programs: (866) 368-7387

Each company's web site offers free online quotes for your pets. This is not a complete listing of companies and some traditional insurance companies may have a pet insurance department.

## How Does It Work?

Unlike traditional health insurance for people, pet insurance works differently. Whenever you enter a new doctor's office or the emergency room, one of the first matters they need to clarify is your insurance provider. Your insurance policy may limit what hospitals or doctors you may visit and still have coverage, especially if you have a PPO or HMO.

Pet insurance operates as a type of indemnity insurance, the same as home owner's insurance or collision insurance on your car. If something is stolen from your home or your car is damaged, the insurance company provides reimbursement for your financial loss. In the same way, the pet insurance provider will reimburse you for your veterinary costs according to your selected plan. In this way, you may see any veterinarian at any animal hospital you wish and still have medical coverage. Secondly, you do not have to spend time providing insurance information by filling out unnecessary forms.

Let us demonstrate using a simple example. Mr. Jones took Zeus to his veterinarian because Zeus had diarrhea and abdominal cramping. The veterinarian examined Zeus, took radiographs (x-rays), and gave Mr. Jones some antibiotics for Zeus. Mr. Jones paid his bill at the hospital and then submitted his invoice with his claim form to his pet insurance company. They reviewed Zeus's case and sent a reimbursement check, for the amount covered under his policy, to Mr. Jones a short time later.

The veterinarian and the hospital are never involved in claim submissions, unless you request their help filling out the claim form, or the insurance provider requests medical records to clarify your claim.

### **What Does It Cover?**

As a rule, the five major pet insurance providers (and most others as well) cover accidents, disease, and sudden illness and its required emergency care including:

- Office calls
- Comprehensive physical examinations
- Diagnostic imaging including radiographs and ultrasonograms
- Surgery including anesthesia
- Hospitalization
- Prescription medications
- Medical therapies and treatments
- Diagnostic testing including blood work and biopsies

For this care, you may see any veterinarian inside the United States (and Canada as well for some providers) including emergency clinics and veterinary specialists.

Each pet insurance provider offers several plans of coverage and each has different costs and benefits. However, most have the following in common:

- Annual or monthly premiums with a per incident deductible
- Payment of 70% to 100% of finances after the deductible up to the plan benefit maximum
- Multiple pet discounts
- High age restrictions for starting coverage on your pet (Your pet is not dropped after reaching the age limit. You simply must start coverage before this age.)
- Minimum age of eight weeks to begin policy coverage for puppies and kittens
- No pre-coverage examinations (Except in fairly old pets or extenuating circumstances.)
- Older pets usually have higher premiums
- Turnaround time from claim submittal for reimbursement is usually around two weeks
- All policies have per incident and per term maximum benefit allowances
- Benefit maximums per incident for coverage are typically between \$1500 and \$5000

Most providers offer plans or additional coverage through riders for wellness care such as vaccinations, flea medication, neutering, physical exams and annual blood screening. Besides cats and dogs, pet insurance providers usually will also cover exotic birds, rodents, pot-bellied pigs, snakes and lizards, ferrets, and sugar gliders.

### **What Are The Limitations?**

As with any type of insurance policy, there will be limitations. If your pet is very old before you apply for a policy, the pet insurance provider may deny coverage. Otherwise, they will request medical records or a pre-coverage exam by one of their authorized veterinarians. As well, some companies will limit or even deny coverage for certain breeds of dogs.

Rates and coverage will vary by region. Not all companies are authorized to provide services in every state, so check the company web site to see if the policy and provider you like offer coverage in your locale.

Some types of medical problems and procedures are not covered by most policies, such as:

- Pre-existing medical problems
- Congenital or hereditary conditions
- Breed-specific medical disorders or conditions
- Behavioral disorders
- Elective and cosmetic procedures
- Breeding issues and related disorders
- Pet foods and nutritional supplements
- Grooming and bathing

We have tried to provide a comprehensive overview of what to expect with pet insurance in general. For more specifics, please contact a pet insurance provider directly. We hope you will find a policy that you feel is right for you and your pet.