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Is “everyone” in your family insured?

By Parker Stevens, CIE, AMCA, FLMI, AIRC, CCP, MPM

Is everyone in your family insured? I’m not talking about your spouse or your children, I’m talking about your pets. As a pet owner of two dogs, a cat and a horse, I often feel like I’m always at the vet’s office for something. The annual costs can be a bit much, if not overwhelming. So what can you do to get financial help? For me the answer was pet insurance. Many don’t take advantage of this type of insurance or even know it exists. In this article I’m going to share with you what’s covered with pet insurance, cost of a typical plan and where you can find the policy best for your pet.

FUN FACT: Pet insurance isn’t just for dogs and cats. You can get pet insurance for other animals like horses, rabbits, snakes, turtles, pigs, ferrets, goats, hedgehogs, and other exotic pets.

So what is pet insurance? Pet insurance (also known as pet health insurance) helps cover the cost of veterinary care if your pet becomes ill or injured. Some pet insurance plans also provide reimbursement for wellness procedures such as vaccinations, heartworm testing and spaying/neutering. Pet insurance is similar to human health insurance in that it has: deductibles, co-pays, maximum payouts, premiums, waiting periods, and normally does not offer coverage for pre-existing conditions. Unlike coverage for humans, you usually have to pay the vet bills in full and wait for reimbursement. In addition, you don’t have a network of providers to worry about. In fact, any licensed vet, animal hospital, emergency clinic or veterinary specialist nationwide is accepted by most insurance carriers.

FUN FACT: In 1982, the first pet insurance policy was sold in the United States, and was issued to television’s Lassie by Veterinary Pet Insurance (VPI).

The cost of your coverage can depend on your pet’s breed (purebred dogs for example cost more to insure because they’re more prone to some hereditary conditions), the rising cost of veterinary care, age (plans may cost more as your pet gets older) and the coverage options you choose, such as your deductible amount. In my research I found a number of companies that would issue a comprehensive policy for under \$30 a month. So is it worth the money? One website noted that a surgery to remove an object a pet swallowed could cost a little over \$6,000. Another site mentioned that the cost to treat a common condition in dogs, hip dysplasia, would cost over \$9,000. There are also some myths about pet insurance that may make you think it’s not really a need for your pet. One myth is that your pet is young and healthy so coverage is unnecessary. Did you know that puppies and kittens are 2.5 times as likely to get sick or injured as older pets? Mostly because they are more adventurous and therefore get into more things without knowing any better. Now of course no one really knows when their pet is going to get sick or injured but are you willing to take that unexpected risk? When should you get a policy? Well many Veterinarian sites recommend insuring your pet as early as 8 weeks old. They noted that the longer you wait, the higher the risk of your pet developing a condition that would be considered pre-existing and not be covered by most plans.

So now that we know pet insurance can help save you money in the long run where can you get a policy? Of course, a simple search on the web will yield hundreds of insurers that can provide you a policy. However, most don’t know that their P&C carrier might also offer pet insurance. For example, USAA, Farmers, Geico, Nationwide and Progressive all offer pet insurance, companies may insure through a third party. The key to finding the best pet insurance plan for you is to consider what your needs are and your long-term goal. There are many different types of policies but here are just a few to consider.



Parker Stevens

Accident-only policies

An accident-only policy is typically the cheapest option available, with coverage levels that reflect the budget price. As the name suggests, you should get help if your pet is involved in an accident, while some - but not all - policies will also cover emergency illnesses and/or those that result from an accident.

Time-limited policies

With time-limited pet insurance, coverage is provided up to a maximum amount per condition. When you make a claim for a condition there’ll be a 12-month limit placed on that condition, after which no further payouts will be made. Should your animal still be receiving treatment when the 12-month period comes to an end, you’ll have to fund the cost of any remaining treatment yourself. Due to this restricted nature, time-limited policies are typically one of the cheaper pet insurance options.

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Maximum benefit policies

Maximum benefit pet insurance covers conditions up to a maximum amount - 1,500 could be an example - but there's no time limit placed on the policy. As such, this type of insurance may not provide complete coverage in the event of a chronic illness.

Lifetime/Covered for life policies

Lifetime pet insurance - also known as a covered for life policy - provides a set amount of coverage for veterinary fees, which renews each year in line with the renewal of the policy. This means that an animal is covered throughout its lifetime providing the policy remains active. This is typically the most expensive option, but the one which should also provide the most peace of mind.

Now that you know some of the basics of pet insurance perhaps you will consider insuring your furry friends.

The most important thing you want to remember is that pet insurance is the one thing you can't get when you need it the most. Planning ahead and doing your homework on pet insurance now is essential to getting the best, most comprehensive coverage for your pet before something happens.

Sources:

www.wikipedia.org

www.petmd.com

www.gocompare.com

Parker Stevens has been working in the field of insurance regulation for over 16 years, performing market regulation and market analysis work on all the major lines of insurance.