



CANADIAN VETERINARY
MEDICAL ASSOCIATION

L'ASSOCIATION CANADIENNE
DES MÉDECINS VÉTÉRINAIRES

WHY A PET INSURANCE HEALTH PLAN MAY BE RIGHT FOR YOU

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Pet caregivers may be unaware of the cost of veterinary emergency medical and surgical conditions, as well as chronic health problems, which can lead to sudden or ongoing pet expenses.

Up-to-date equipment, continuing education for quality assurance, staffing costs, and business overhead are part of a solid business plan used by veterinary clinics and hospitals to ensure quality care delivery. Unfortunately, this means the cost of caring for pets has had to increase with the growing costs of running a modern practice, along with inflation. It is not unusual for an emergency condition to cost a few thousand dollars, or much more. Chronic health problem costs can also add up over time, and run into many thousands of dollars.

Why Pet Insurance?

Pet insurance helps ensure decisions are not made out of a necessity to put cost considerations first. It allows veterinary staff and pet parents to focus on the health of the animal in question.

There are two ways to effectively prepare for potential unforeseen pet care costs:

1. A "rainy day savings account" or self-insurance: Each month of the pet's life, you diligently place the cost of a monthly health insurance payment into a separate savings account (or accessible safe investment) that can only be used for pet care, hoping no emergency strikes before your cash has built up. This plan works well if you are able and willing to save, and make this a part of your monthly budget.
2. Engage a pet insurance company to provide a safety net of coverage. The cost varies widely, so it is important to do your homework before signing up. Features differ between companies. Most pets in Canada are still not insured, with current estimates of coverage at about two to three per cent of pets.

How do you Know if Pet Insurance is Right for You? Is it Worth the Monthly Expense?

- Balance your own value decision based on how well you or your family might be able to cope with an unexpected expense.
- Consider how much premiums cost in the face of your pet's health, breed, age, and lifestyle.
- Insurers expect certain breeds and pets in particular life stages to experience more specific medical problems. While your pet may not experience these specific issues, insurers examine the historical actuarial probability, which may result in some insurance companies offering higher premiums for certain breeds. Senior pets may be excluded from coverage, or face increasing premiums with advancing age.

What Features are Available?

Check plan features carefully, noting that each individual situation is different - there is no "one plan fits all" solution. Part of feature acceptance is your budget, since more features add higher costs to premiums in many instances. Of course, it is also important to consider your unique situation/pet.

Features are variable and may or may not include:

- Accidental, or both accidental and illness coverage, or additional preventive medicine (routine care costs) coverage. Ensure you are clear on what specifically is covered under "accidents" and "illnesses" to avoid surprises.
- Free trial membership month.
- Up to 24/7 customer service.
- Age limitations.
- Excluded "foreseeable" (pre-existing or genetic) conditions or breeds; at least one insurer has a two-year waiting period before they will insure. This means if a caregiver applies for insurance, and the pet has a preexisting condition that has not been active for the last 24 months, this particular insurer will go ahead and insure the pet without penalty.
- Computer insurance-based claim apps that allow claims to be made at the time services are rendered.
- Liability insurance.
- Rehabilitation coverage.
- Humane euthanasia, burial fees.
- Boarding costs in emergencies.
- Discount for spayed/neutered pets.
- Discount for microchipped pets.
- Discount for multiple pets.

- Increased cost with claims, age.

How can all of these Options be Prioritized?

There are many ways to structure a plan. Here are some generalities:

- Many insurance companies provide online instant quotes via their websites.
- A larger deductible means lower premiums. Most plans range from a \$0 to \$500+ deductible.
- Co-payment is the portion of actual expenses covered by you and affects premiums. Generally, the insurance company pays 70 to 90 per cent.
- About \$4,000 to \$5,000 is the typical payout cap for claims (some companies may offer no cap coverage).
- Deductible or co-insurance levels may or may not change with claims submitted (by the year, condition or claim), or change as your pet ages.
- Long history in business and high customer satisfaction ratings are reassuring.
- Monthly premium costs range from \$20 to \$100+ dollars depending on many factors.
- Starting pet insurance later is more costly than starting with a young, healthy puppy or kitten, so early start plans are often less costly (though payments last more years).

For most insurers, a range of products with different price points are offered. Choosing less “bells and whistles” can help keep costs down for one of those plans; you can enhance coverage as per your own needs.

Read the fine print closely and ensure you ask any questions ahead of signing as per any contract.

Like car or home insurance, pet insurance provides peace of mind. Talk to your veterinarian about pet insurance. Veterinarians are not affiliated with any insurer and can provide independent advice to assist you with this important decision.

Some questions to consider when choosing medical insurance for your pet.



COVERAGE



1. Are there exclusions or limitations by breed?
2. Is there one simple plan or multiple plans with varying coverage limits? What are the policy limits for each plan offered? Are they per year, per condition, for the life of the pet?
3. Are hereditary and congenital conditions covered? If so, are there limits on coverage?
4. Does coverage change when visiting a specialist or emergency hospital?
5. Is dental coverage included? Does it include disease or just accidents?
6. Are all prescription drugs, supplements, and nutraceuticals covered? How about prescription food?
7. Is there a coverage option for rehab or alternative therapies? What are the limits?
8. Is wellness care (vaccines, flea, and heartworm prevention) an option or mandatory with the policy? Are wellness treatments dictated by a benefit schedule or can your veterinarian determine proper care? Are there limits?
9. Does coverage change if enrolling an adult or senior pet?



CLAIMS



1. Does the provider offer direct payments to veterinary hospitals at checkout?
2. If there are no direct payment options, what is the average time to receive reimbursements?
3. Does the provider offer pre-approval to ensure coverage?
4. What is needed to send in a claim? How long does it take to process?
5. What are the customer service hours? Can you reach a representative after hours or during holidays if a condition is life threatening?



GENERAL



1. What are the waiting periods when you enroll? Are they longer for orthopedic, hereditary, or congenital conditions?
2. How does the deductible work? Per condition, per year, per body part, or per condition and per year?
3. How flexible are your deductible options? Are you given specific amounts, or can you adjust to best fit your budget? Can you change the deductible without affecting coverage?
4. Can a previously covered condition become pre-existing upon policy renewal or if you change the limit or the deductible?
5. Are there penalties for making changes to your policy?
6. Are premium increases on a predetermined schedule?
7. Are there additional fees to pay your premium monthly?
8. Is there a minimum or maximum age for coverage?
9. Is there a usual and customary charges clause or does the company pay from the invoice?
10. Can your policy be canceled for any reason other than non-payment?