

Pet Health Insurance

Do you need pet health insurance? First ask yourself: are you a person who believes in carrying insurance in general? You may have car or home-owner's insurance, or insurance against death or disability – or you may not. Pet health insurance may be another important investment that you want to make for peace of mind– or it may seem like “negative thinking” and a waste of money to you. One thing is certain: whatever it costs to insure a pet is much less than the amount your insurance will pay back if your cat has any kind of significant medical problems or procedures.

Given the enormous costs of veterinary care that rival the costs of human health care – from the lab fees to the technology that is now available to diagnose and treat companion animals, I personally don't see how you can afford *not* to have insurance. Having said that, I also realize that the cost of insurance is steep and may be out of reach for some people, who prefer to hope that their cat never gets seriously ill. And there certainly are hardy, lucky cats who sail through life without urinary disorders and other common problems that plague so many cats. If your cat happens to be so lucky, you might resent having paid insurance premiums for care you never ended up needing.

Fancy tests and equipment are expensive: Veterinarians often use ultrasound, CAT scan, MRI and x-rays, to help find out what is ailing your pet - but those are just the *tests*. After those diagnostic tests are done, an operation or medications might be recommended. So the big question is, would having pet insurance make a difference to you if the doctor were to tell you that she wanted to do an MRI on your sick cat - and the charge was going to be \$1,000? If an MRI or a CAT scan was needed to diagnose your

child, your health insurance would probably cover it - or, if you didn't have the coverage, you would find a way to pay for the test. But how would you feel if the patient was your cat? Would you forego the testing because of the cost? Would you feel frustrated or guilty about that? Or would you pay the bill and kick yourself for not having gotten the insurance? Depending on your outlook about medical care for your cat, signing up *without delay* might be the best choice for many more people than now have insurance coverage in place.

Pet insurance doesn't cover preexisting conditions: If your cat has a complicated or expensive medical condition, the insurance company will request all of the cat's prior veterinary records when you make a claim, especially a large one. If a claim is made soon after you take out a policy, the insurance company will understandably want to see all of the cat's prior veterinary records and would probably refuse a claim for a problem the cat had prior to insurance coverage.

There is a deductible and an annual limit on claims: Insurance may not pay 100% of the bill, but it sure beats the alternative. When you are beside yourself with worry because your pet is ailing and you have a huge medical bill on top of it, you will be so grateful for any of the burden that the insurance relieves.

You pay the vet, the reimbursement comes to you: One difference between pet and human insurance is that the vet does not have to "belong" to an insurance plan or company, and he does not do any billing on your behalf. The insurers ask you to get their form signed by the vet, with his diagnosis and treatment noted, and attach the doctor's bill (already paid by you). The insurance companies require that you return paperwork to

them within a certain number of months for them to consider the claim, so if you're reasonably organized it shouldn't be a problem.

The other very positive difference between animal and human doctors is that for now, pet insurers have no impact on the vet's medical decision-making process. Each vet does what he believes is best for every animal without having to worry about an insurance company dictating his treatment choices (as is now often the case in human medicine). There are already forward-thinking vets who are wondering what might happen when the pet insurers get more powerful.

There is often a multiple-pet discount: If you have more than one cat (or dog), you will probably pay a reduced fee for covering all of them. The fee per animal is based on age, with older cats costing substantially more to insure than younger ones (see chart later in this section). Since it is assumed that a cat will more need for medical care as she ages. I would recommend that you not drop coverage on your older animals just because the premium goes up. Maybe you figure that an older cat leads a safer, more sedentary life, but all it takes is one bout of gastrointestinal upset - with the lab tests, possible X-rays and medication - to pay you back for the premium you paid. Your vet may also refer you to a specialty veterinary hospital that is staffed entirely by veterinarians who are sub-specialists: vets who have been trained and received further degrees in ophthalmology (eyes), oncology (cancer), etc. I have met pet owners in the waiting rooms of these specialty hospitals who have spent \$5,000 to \$10,000 on their cat's care because they didn't have insurance. These are regular, working people who can ill afford such enormous bills, but they view their pets as family members and will pay anything to make them well or keep them alive.

There is an additional premium for cancer care: Given the high percentage of pets (dogs more than cats) who get some kind of cancer and the high cost of treating it, it's understandable that insurance companies have what they call a "cancer endorsement." You pay this additional premium, and if your pet does get cancer, you get more coverage for diagnosis and treatment.

What about routine vaccinations? Many policies include routine treatments for fleas and ticks, vaccinations, and dental care. However, others (like the most successful one, VPI) charge an additional fee that is about equal to the cost of a cat's yearly vaccinations. It seems to me that paying extra to get that coverage is a waste of money. First of all, you might decide to pass up some of the routine immunizations, anyway, especially with an indoor cat. Secondly, the most insurance will reimburse for a visit with vaccinations is often pretty much the same amount you pay as a premium for routine care - so the whole transaction is "a wash" except that you still have to fill out paperwork, have the vet's office do the same, send it in, wait to be reimbursed, etc. It seems that it might just be easier to pay for the office visit and be done with it.

Indoor cats have many fewer ailments: Outdoor cats have higher vet bills because they can be injured by cars or other cats and dogs, and they are exposed to pathogens in the environment. So if you aren't sure whether you want insurance and your cat is indoors only, you can probably forego it.

Kittens cost more than adult cats: During the first year of a kitten's life, you can expect to spend about \$500 on vet visits, vaccinations, and neutering. So find out what an insurance company would charge you for that period and weigh it against the possible

costs you will incur. Make sure that the policy covers kitten vaccinations and wellness visits, otherwise it's of no use.

Beware of loopholes: As grateful as I am for the existence of pet insurance companies, they are still insurance companies, and paying reimbursements is not the thing they most like to do. In the case of VPI, the company that I have used for years, a claim has to be submitted within 180 days or it will not be reimbursable. When they refuse payment on a bill, the explanation may not be immediately clear and they require a written appeal from you (and your vet) to re-request reimbursement. These are just some potential hassles to be aware of.

Is health insurance worth it or not? It really is a person-by-person decision. I would rather pay for peace of mind and then be glad my kitty never did get sick – but that is just one person's feeling. Each person's situation and personality are different. One way to make the decision about insurance is to ask whether you would opt for expensive tests and treatment if your cat were to get ill? If the answer is yes, then I think the safety net that health insurance gives you has value. If the answer is “no” because you do not have the financial resources to pay for expensive tests then you should pass, because health insurance itself is costly, especially for an older cat. If the answer is “no” because you do not believe that a pet should be afforded that kind of complicated medical attention, then pet insurance is not for you, either. This is not a “loaded” question, by the way – there is no “right” answer. Someone who would take a second mortgage on their home to try an experimental cancer treatment on a cat with only months to live does *not* love their pet more than the person who accepts their cat's medical fate as part of the natural way of things and plans to put her to sleep when she reaches the point where her

quality of life is diminishing. Some would even argue that the second owner is the more selfless, compassionate, realistic one. Of course, these are two extremes; the medical problems that cats face are often less dramatic and a person's decision is often less clear-cut. You need to discover your own answer, but you should think about it before your cat ever gets ill, and it becomes too late to get coverage, at least for that ailment.

Choosing a Pet Insurance Company

When making a decision about which insurance to use, there are a number of factors to consider. The checklist below should help you sort things out:

Evaluating Pet Insurers

- > How long has the company been in business? Some are short-lived, leaving people in limbo. Generally speaking, the longer they have been established, the better. However, in the case of Pets Best (see below) this doesn't apply since although the company is relatively new and is still getting accredited in a few East Coast states, the founder and owner was a pioneer in the pet insurance business and created the most successful company. He left to start Pets Best – which is even better from a consumer viewpoint - when his original company was purchased by a large insurance conglomerate.
- > Can you go to any vet? Discount plans may allow only certain providers, not a good scenario if “their” allowed vets are not convenient to you and/or you already have a vet.
- > Who underwrites the insurance? Do they have experience handling pet claims? The company should have a good A.M.Best rating (A.M.Best is the established company that rates insurance companies from A+ to F on whether they are financially capable of meeting policy holder demands).

- > Ask your vet which company he recommends since his office will have experience dealing with all of them.
- > Do they give discounts for multi-pet homes?
- > Excluding pre-existing conditions is common practice: ask if previous medical conditions can be covered for an additional fee? Ask whether there are other exclusions?
- > What is the waiting period? Many require a 30 day wait from the date you sign up to file your first claim.
- > What is the limit (or “cap”) on reimbursing any one illness or injury? Most companies put some kind of “cap” on each medical problem during a policy term. Find out whether it is a yearly cap or a lifetime cap. For chronic issues like joints, a limit for life would not be helpful since this will probably be an ongoing yearly problem.
- > Are medications covered?

Which insurance company is best? Please take the time to shop around and compare the following (alphabetically arranged) companies that offer pet health insurance. Companies may go out of business or change their policies, and policy terms vary depending on the state. So the list below is only a list to work from: you need to confirm information when you are shopping and comparing because things change. This list is not an endorsement of these companies, just a way to assist you in learning the options.

AKC Pet Healthcare Plan: www.akcphp.com, 866-725-2747, is owned by the American Kennel Club, which runs dog shows and operates the largest registry for purebred dogs.

Pets Best See above for more explanation – but this company will pay 80% of 100% of your bills, no pre-set “schedule” of what a procedure “should” cost. Right now there are some East Coast states not covered, but once they are, this is the so-called “Cadillac” of companies. Petsbest.com: 877-738-7237

PetCare Pet Insurance: www.petcareinsurance.com 866-275-PETS, was founded in 1998 and offers coverage in 46 states, the District of Columbia and 10 Canadian provinces. It operates a variety of companies, including QuickCare, ShelterCare and Union Plus Pet Insurance. The company offers one affordable policy in partnership with PETCO for less than \$10 a month. Petfinder.com (the largest adoption database on the internet) teamed up with ShelterCare to give one month of insurance coverage to those who adopt through Petfinder.com.

PetFirstHealthcare.com [866-937-7387]

PetHealthinsure.com [888-738-7837]

PetsHealth Care Plan (www.petshealthplan.com, 800-807-6742) was introduced in 1997 and is licensed in 49 states and the District of Columbia. There are a variety of plans, all of which pay 80% of allowable charges after a \$100 deductible. The same parent company owns a newer, similar company called Healthy Bark & Purr (www.healthybarkandpurr.com, 800-799-5852).

Pets Health Care Plan, www.petshealthplan.com: 800-807-6724

Veterinary Pet Insurance, also known as VPI, (www.petinsurance.com, 866-467-4738 or 800-USA-PETS) is the country's largest and oldest pet insurance company, begun in 1982. They offer coverage in all states and, after a deductible, they pay 90% of

the plan's benefit allowance per policy term, with charges based on a national average of veterinary fees. This is the company that covers me – and since they will refund any unused portion of a policy, I will keep this until Pets Best (see above) is available in my state, New York.