

PET INSURANCE BASICS



Imagine a world where expense is not a major factor in your pet's health care decisions. The fact is that, thanks to pet insurance, you are probably already living in this world but do not know how to participate. There are many pet insurance companies and many options; navigating through all the choices can be tricky. Many people do not know where to start.

OPTIONS AND VOCABULARY: DECIDING WHAT YOU WANT

"PER CONDITION" VERSUS "ANNUAL"

Your insurance will kick in once you have paid a deductible (we'll cover that in more detail later). Your first decision will be whether you want your deductible to be annual or "per condition."

ANNUAL DEDUCTIBLE

Insurance with an annual deductible lumps your pet's medical conditions for the year together and after you have paid a deductible towards your pet's assorted illnesses, the insurance kicks in for the rest of the year.

Example: In a given year, your pet has an upset stomach, a bite wound, and an ear infection. If the total expenses for these conditions adds up to meet or exceed your deductible, your insurance kicks in for the rest of the year. Next year you have a new deductible to meet before the insurance kicks in again.

PER CONDITION DEDUCTIBLE

With "per condition" insurance, each medical condition has its own deductible but once that deductible has been met, insurance kicks in for the life of the pet at least with respect to that condition.

Example: That same pet with the upset stomach, bite wound, and ear infection will have to meet the deductible on each of those conditions separately. If the conditions are simple, none of them may meet the deductible but, on the other hand, if one of those conditions end up recurrent, eventually the deductible will be met and insurance will pay on that condition for life.

Per condition tends to be better for older pets or dog breeds with genetic issues as these pets tend to experience long term problems.

The Premium

This is the insurance name for your monthly payment. How much you pay will be determined by several factors: your pet's species (dog, cat etc.), your pet's age at sign up, your zip code and the insurance options you pick. A pet owner's first insurance question is usually "how much does pet insurance cost?" That will depend on what you choose from the options below. After reading over all the options and deciding what you want, you can go to a pet insurance company's web site where they will have a calculator. You can enter your selected options and find out how much per month you can expect to pay.

The Cap

The cap is the maximum paid by the insurance company. The cap will be either annual or per condition as described above. You either want no cap or a very high cap (at least \$8000). Insurance with a low cap will not reliably cover a major illness in this city and the last thing you want is to max out your insurance payment when you need more.

The Deductible (you typically pick from \$0 to \$1000)

This is what you pay before the insurance kicks in. If you have an annual deductible, this is the amount you pay per year for covered conditions before insurance kicks in and next year you have to pay it again before insurance kicks in. If you have per condition insurance, this is the amount you pay for a given disease/condition before insurance kicks in.

**If you pick a very high deductible to get a lower premium,
you will end up with insurance that only pays for very serious conditions.
If you have an annual policy and a high deductible,
it may never pay out and you will be frustrated.**

Percent Covered (How much your insurance will pay)

After you pay your deductible, insurance kicks in and pays a percentage of your expenses here on out (for life if you have a Per condition deductible or for the rest of the year if you have an annual deductible). How much of your bill will they pay? You get to pick generally between 70 and 100%. The higher the percentage they pay out, the higher your monthly premium (your monthly insurance bill) will be. It will likely be 100%, 90%, 80%, or 70%. Obviously, the higher the percent covered, the less you have to pay out of pocket for illness care. Some policies do not have options: they simply cover 90%. Others let you pick your percent covered so you have more control over your premium.

Waiting Period

When you sign up for insurance, there is likely to be a waiting period before coverage begins. This period differs between insurance companies or may differ for orthopedic illnesses vs. other illnesses. Some plans do not have a waiting period. Be sure you know when your waiting period ends. If you have your pet examined for a condition before your waiting period is up, this will be considered to be a "pre-existing condition" and it will not be covered.

Wellness Coverage

Insurance is made for accident/illness situations but many companies offer "wellness coverage." Wellness services include: vaccination, flea products, annual examination, teeth cleaning, microchipping, spay/neuter, routine lab testing and more. Since these are services that every pet needs, it is possible to budget for them on your own but it may be worthwhile to have them covered through your pet's insurance.

**If you choose to add Wellness coverage, be sure you are not restricted to specific amounts for specific services (i.e. \$50 for annual exam, \$75 for vaccinations etc.).
Get either unrestricted wellness or a lump sum that you can mix and match depending on what Wellness services you want.**

WHAT IS NOT COVERED BY PET INSURANCE

- No pre-existing conditions are ever covered. Get your pet insured before something major happens.
- Some policies will not cover ruptured cruciate ligaments in dogs. Some do not cover congenital disease even if it is inapparent at the time coverage starts. Some will not cover FIV+ or Feline Leukemia positive cats, Diabetic pets, or pets with Cushing's disease (unless these conditions develop after the pet is already insured). Be aware of any limitations of a policy you are considering.
- Some companies will only accept new patients if they are under age 14 or 15 years of age (though there are several companies that will insure pets of any age).
- Some policies do not cover the office call fee for an accident/illness incident and consider this to be a "co-pay."

SPECIAL SITUATIONS OTHER CONCERNS

There are special situations that you may want to check into before settling on coverage.

- Discounts if you pay for the whole year at once or if you do not need your insurance for a year.
- Will you be interested in coverage for alternative medicine or physical therapy? This may or may not be extra.
- Are behavioral problems covered?
- Are therapeutic diets covered?
- Is there 24 hour customer service in case you have coverage questions during an emergency?
- What is involved if you want to change your coverage? If you want to change your deductible, will you lose coverage of prior conditions?

There are currently about a dozen pet insurance companies. Each one will have a premium calculator on its web site so you can determine premium for the options you want. If you are looking for more help making insurance comparisons please visit:

petinsuranceuniversity.com

(an independent site put up by a veterinarian who sorted through it all and made an easy to follow format)

<https://365petinsurance.com/reviews/>

(another review summary)



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Information on additional pet care topics can be found on our world wide web site:
<http://www.marvistavet.com>