

Pet Insurance, Peace of Mind

Not so long ago, it was the inherent usefulness of animals that made them an important part of people's lives; the animals performed a specific task, and it was relatively easy to calculate their value accordingly. Today, by contrast, 81% of U.S. pet owners view their animals as family, or even children. How do you put a price on the well-being of a family member?

More than 60% of U.S. households own at least one dog or cat; many others have birds and more exotic companions. Every year, pet owners in this country spend more than \$11 billion on medical services for these animals. With veterinary costs on the rise (one estimate puts the increase at 30% per year), there is growing interest in finding ways to ensure optimal medical care for pets without bankrupting their owners.

Another important factor in the discussion is the ever-increasing breadth of medical services available for animals. Cancer treatment, pacemakers, bone grafts, organ transplants, joint replacements, MRIs and CAT scans, ultrasound testing, endoscopy, urine and blood analysis—these procedures are no longer just for humans. People who are willing to invest the necessary time and money can find a qualified veterinary specialist to treat virtually any ailment their pet may develop.

Proactive planning for major veterinary expenses is something every responsible pet owner should be concerned with. With no plan in place, the heartbreaking choice is all too often “financial euthanasia.” Pet insurance is one way to ensure that a beloved pet is never denied critically needed treatment due to lack of financial resources.

Pet insurance is basically indemnity coverage that is designed to take care of unforeseen events. In the U.S., it falls under the property and casualty requirements of state insurance departments; the insurance company that underwrites the policy must be licensed and admitted in a given state in order to do business, and the policy must be filed and approved by each state insurance department.

These stringent regulatory guidelines help explain why only 1% of pet owners in the U.S. insure their pets, as compared to 19% in England and 49% in Sweden; there simply are not many companies that offer pet insurance in this country. The three main providers that compete on a national level are Veterinary Pet Insurance (VPI) at <http://www.petinsurance.com/>, 800-872-7387); Hartville Group, provider of Petshealth Care Plans at www.petshealthlan.com, 800-807-6724; and Pethealth Inc. at <http://www.pethealthinc.com/>, 877-738-4584. Pet insurance are also available through Premier Pet Insurance at <http://www.ppins.com/>, 877-774-2273.

Policies and premiums vary, depending on factors such as age, size, and breed of pet; geographic location; previous illnesses and preexisting medical conditions; claims experience; and plan type selected. Costs range from approximately \$100 to \$450 annually per pet, with deductibles, co-payments, and unreimbursed costs paid by the policyholder. Some packages are comprehensive, including annual checkups and vaccinations, routine care, preventive medications, and spay/neuter surgeries; other plans cover only accident and illness. Annual deductibles average around \$100.

Not everyone is a fan of pet insurance. Consumer Reports, for example, maintains that pet owners are better off establishing a savings account to handle pet health emergencies. On the other hand, many veterinarians encourage their clients to take advantage of pet insurance to help ensure consistent and high-quality medical care.

The nature of your relationship with your pet will help form your decision. Ask yourself: "Do I want a pet, or do I want *this* pet?" If you're the type of person who would devote unlimited time and money to healing your special companion animal, then you are a good candidate for pet insurance.

If you decide to invest in pet insurance, experts recommend shopping around and carefully evaluating the different packages that are offered. It's also wise to discuss the benefit schedules with your veterinarian, to determine to what extent the benefits will cover the actual cost of various treatment options. In any case, a carefully chosen plan can give the pet owner peace of mind that the pet will receive the best medical care regardless of cost.