



SAGE COMPASSION FOR ANIMALS
A CAUSE FOR PAWS

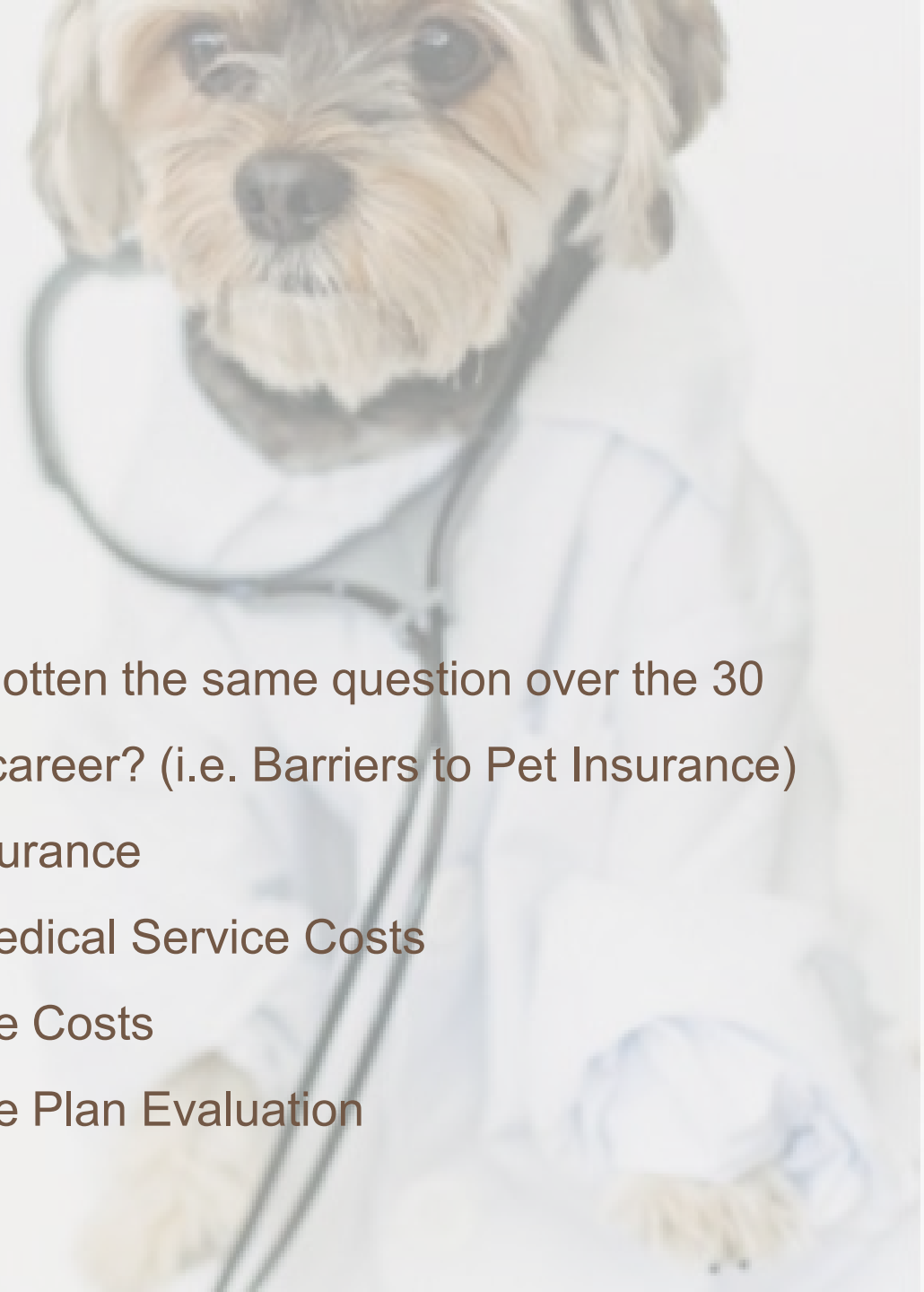


Pet Insurance

Do I Really Need It?

AGENDA

- Why have I gotten the same question over the 30 years of my career? (i.e. Barriers to Pet Insurance)
- Basics of Insurance
- Veterinary Medical Service Costs
- Pet Insurance Costs
- Pet Insurance Plan Evaluation



Barriers to Pet Insurance

Only 2.5% of Americans have pet insurance

- UK 25-30%, Sweden 45-50%

Thought of as “expensive”

Poor historical customer service

- Denied claims
- Unclear coverage
- Reimbursement on disease conditions and using national “average costs”

Thinking nothing bad will happen

- Animals are mortal!



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Why Insurance?

There are three main reasons why you should buy insurance:

- It is required by law, such as liability insurance for your car.
- It is required by a lender, such as buying a home and getting a home policy.
- When a financial loss would be beyond what you could afford to pay or recover from easily.



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Expectations of Financial Loss

How to calculate financial loss:

- Easy with items – google to know costs of things!
- Harder with services
 - Type of service provided
 - Type of providers
 - Value of service



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Veterinary Medical Services

WHY IS THERE NO GENERAL EXPECTATIONS OF COST?

No standardization of pricing in industry

- Same is true in human medicine!

Level of service offering varies but not obvious to consumers

- Expertise, equipment, hours, etc.

Paradigm of selling products vs selling expertise

- Annual vaccinations vs annual examination and advice

“All Creatures Great and Small” and “Incredible Dr. Pol” mindset

- The current level of standard of care available isn't widely known
- Attitudes of what people will pay for “just an animal”



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Veterinary Medical Services

WHAT DOES THE DATA SHOW ABOUT COSTS?

Survey Data

- “How much do you spend a year on pet care”?
 - Include grooming? Food? Toys?
 - Accuracy? Primarily wellness/routine?

Data from pet insurance claims – financially accurate, biased

- More data shows that people spend more if they have insurance
 - 29% more for dogs and 81% more for cats – finances have an influence on decisions even for those who can afford care



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Costs Comparisons

	Average Lifetime Cost of Veterinary Care
Dog (size matters)	\$7,565-\$19,060
Cat	\$9,150

	Average Premiums (monthly)	Average Premiums (annual)	Lifetime for 15 years
Dog	\$49.51	\$594.12	\$8,911.80
Cat	\$28.48	\$341.76	\$5,126.40



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Pet Insurance

HOW TO EVALUATE PLANS

More info at our resource center

<https://www.sagec4a.org/resources/>



Save money for predictable expenses and pay for insurance for the unpredictable expenses in life.



Wellness and preventative care is predictable, so budget for that monthly rather than including it in an insurance plan.



Many veterinarians offer “wellness plans” that can combine services and products at lower costs in return for loyalty.



Pet insurance generally can be used at any veterinarian’s office. Be careful that you do not purchase insurance limited to one practice.

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Coverage: What the policy will reimburse you for. The most common type of pet health insurance is accident and illness coverage.



Covered conditions and exclusions: The best plans cover the most conditions and don't exclude common ailments.



Most insurers will also cover congenital or hereditary conditions as part of standard coverage. Some companies still require extra riders.



Watch for long waiting periods for the policy, or for certain conditions, that impact coverage.

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Benefits: The dollar amount the insurance company will pay for a covered incident or during a given time period.



May have a per-incident, annual, or lifetime limits for accident or illness.



Best plans offer reimbursement based on a percentage of the invoice rather than the condition or diagnosis.



Exam fees may not be covered, but that might be worth it rather than paying higher premiums monthly.

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Deductible: This is the amount you pay before a claim will be reimbursed by the insurance company.



The deductible resets annually or applies to individual conditions over the life of your pet.



Choose the highest deductible you can afford as a one-time payment to lower monthly premiums.



Factor in any co-pay that you might have to cover in your budgeting.

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Look for plans that have unlimited annual benefits, flexible deductibles, and reimburse over 70% of the invoice as minimum



Unlimited lifetime or annual benefits will increase premiums, but also give peace of mind that you will be able to afford treatment



Ask about increases in premiums as the pet ages



Most policies reimburse, so set aside funds for deductibles and copays. There are some that preapprove, but usually cost more.

Pre-existing Conditions



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Pre-existing Conditions Are Not Covered!

- Here is where pet insurance gets a bad name!
- Why is it so much of an issue?
 - Lack of diagnostic coding in veterinary medicine
 - Lack of diagnosis in veterinary medicine
 - Previous tests and/or treatments declined
 - Reliance on history in determining if qualifies
 - Examples:
 - “Weight loss”
 - “Gastric indiscretion”
 - “Limping”
- The solution:
 - Buy pet insurance when you adopt or purchase your pet!

Is it worth it?



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CONCLUSION

If you never have to make a claim, your premiums weren't wasted—they were the cost of predictability, and of sleeping easier with a pet at your feet!



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Comments or Thoughts?
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