

PET INSURANCE

PROTECTING OUR FURRY FRIENDS

by Sue C. Quimby, CPCU, AU, CIC, CPIW, DAE

PET OWNERSHIP in the United States is a growing business. It is estimated that 56% of households own at least one pet. The Humane Society of the United States (www.humanesociety.org) estimated that in 2011 there were over 78.2 million dogs and 86.4 million cats owned in the United States. Over 151 million fresh water fish are kept as pets! For many people, pets are a highly valued member of the household. Helping clients understand and obtain coverage for their beloved pets is another value-added service of the professional insurance agent.

According to American Pet Products Association's 2011-2012 survey, (www.americanpetproducts.org), pet ownership in America is at its highest level in two decades. While 60% of dog owners own only one dog, 52% of cat owners own two cats. 40% of pet owners own multiple pets. The survey also reveals that pet owners are willing to spend money to extend and improve their pets' lives. It is estimated that Americans will spend \$55.3 BILLION dollars on their pets in 2013. Caring for pets can be very expensive. Dog and cat owners spend an average of over \$200 per year per animal on routine veterinary care. Hospitalizations can run over \$1000 per day. As pets age, the costs increase. Americans spend over \$12 billion per year on veterinary care. The total cost of having a pet over its lifetime has been estimated to exceed \$11,000.

Pets come in all shapes and sizes, and so does pet insurance. Pet insurance is not just for dogs and cats. There is also coverage available for more exotic pets, such as birds, iguanas, opossums, pot-

bellied pigs and sugar gliders. Given the high cost of purchasing and maintaining some of these pets, the purchase of insurance for them is certainly something to consider.

In addition to accidents and illnesses, coverage may be obtained for hereditary/genetic conditions, surgery, testing, hospitalizations and medications. In the case of congenital conditions in particular, advancements in science mean that conditions that were once fatal are now treatable. As with human health, regular preventative care can help to avoid or reduce expensive medical bills down the road. For this reason, coverage for routine care may be a preferred option. A recent nbc29.com study found that the cost of pet insurance runs between \$20-40 per month per pet.

Coverage varies among programs. It is important to review the provisions of each plan carefully. While some are more expensive, it may be worth it if the animal is injured or becomes ill. While not all plans cover routine care, there are plans that offer a flexible health savings account for such things as annual check ups, heartworm medication, teeth cleaning and vaccinations. Most policies cover accidents and illnesses, with more and more programs offering coverage for genetic conditions. Some programs even offer coverage for the cost of cancelling holiday or vacation plans due to a pet's illness or injury, as well as cremation costs. The expense of alternative therapies and rehabilitation may also be



included in the program.

Eligibility requirements vary. For example, some programs have age limits, and some require that the pet be spayed/neutered. There may be a waiting period for coverage to become effective. At least one plan has a 12 month waiting period for hip dysplasia. Deductibles and percentage of costs covered vary, with some plans paying up to 90% of veterinary bills. Maximum amounts payable also vary.

Pet accident and injury insurance and wellness care can help to ensure that pets and their owners share a long and happy life together. Helping your clients understand and obtain coverage for their treasured household members and improving their peace of mind is a sign of the true insurance professional.

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