



Buying a Pet for Christmas? Don't Forget the Pet Insurance

By John D. Doak, Oklahoma Insurance Commissioner

This Christmas, many Oklahomans will welcome a new pet to the family. If you're one of them, I urge you to consider purchasing pet insurance. There are an estimated 146 million pets in the United States, but only about one million are covered by an insurance policy. If you think you can't afford it, consider this: The average cost of veterinary expenses during a pet's lifetime is more than \$13,000. Pet insurance can decrease that number significantly.

Medical technology has increased by leaps and bounds for animal treatment and disease prevention. But that technology doesn't come cheap. If your dog develops an eye cataract, removal and lens replacement could set you back as much as \$2,250. A recent report found that the average monthly cost for dogs was about \$30, while the average cost for cats was about \$19.

An online search for pet insurance will bombard you with a multitude of options. So what do you look for? What should you consider when shopping for policies? What are the main differences between companies, besides price?

Most pet health insurance plans have a few basics in common. There are three types of pet health insurance coverage: accident only, accident and illness or accident, illness and wellness. The cost ranges between providers, dependent on factors such as breed, age, prior medical history of your pet, etc. Other basics include:

- You choose a reimbursement and deductible from a few options.
- You go to any veterinarian you choose, pay your vet first, file a claim and then get reimbursed.
- Any pre-existing conditions and related treatments are not covered. Breeding issues, experimental treatments, and cosmetic surgery like declawing and tail docking are also typically not covered.

There are also differences to look for between companies. Some of the most important differences are:

- **Coverage** – look closely at coverage and understand the exclusions. Does the policy cover congenital and hereditary conditions? These are conditions that your particular breed may be prone to develop, such as heart defects, eye cataracts, bleeding disorders or Brachycephalic Syndrome, which is common in dogs with short snouts, such as bulldogs and pugs.
- **Reimbursement method** – how will you be reimbursed? Check to see if the insurance company will pay a percentage, pay what they consider “usual and customary” or pay on a benefits schedule. Benefit schedules or "usual and customary" policy language may lower your reimbursement amounts, so beware.
- **Limits** – are any limits or caps applied per incident, per year or over the pet’s lifetime? Some policies require a deductible per incident or cap the reimbursement amount for extensive surgeries or after a certain age. These are conditions to watch for so that the money you put into the policy is not greater than what you receive in health expense coverage for your pet.
- **Customer care** – this is important for all insurance companies and should be considered from the first conversation you have with a customer service representative during your research. After all, service is a huge part of the perceived value and benefits once the policy is purchased. Check to see what other customers are saying about their care and claims experience once you have narrowed it down to 3-4 companies based on the above comparison recommendations.

Whether you opt for pet insurance or not, consider the costs of pet ownership and how you plan to pay for expected and unexpected expenses. Do the research and crunch the numbers so you can be well-informed and prepared. Also, make sure you can handle the added responsibility. Shelters fill up after Christmas when families realize they aren’t equipped to care for the new pets.

If you have any insurance questions, please call our Consumer Assistance Division at 1-800-522-0071.