

Is Pet Insurance Right for Me?

For many of us, our pets are an important part of our family. We want to keep them happy and healthy for as long as possible! But costly illnesses and accidents can happen and veterinary care can be expensive. In recent years, several companies have developed pet insurance policies to help with these costs. When considering purchasing pet insurance, consumers should ask two important questions: How do I know if pet insurance is right for me? And if I decide to get pet insurance, what do I need to know to get the most out of my coverage?

The first step is to think about your needs and your budget. Here are some questions you'll want to consider:

1. Why do I want pet insurance?

There are many reasons to consider pet insurance. But keep in mind that, because of the way your particular insurance policy works, you may still end up paying some of the costs despite having insurance. So, if you are hoping pet insurance will cover all the vet costs for your pet, you may be disappointed by what costs are actually covered. Start by writing down a list of things you are hoping your insurance will cover. Then, check that list against the policy you are considering to see if that coverage is in line with your expectations. The most important thing is that you understand your policy and know what it will cover and what you will cover.

2. What do I want this pet insurance to cover?

When we think of pet insurance, we sometimes think it is like human health insurance. They sound very similar and often use similar terms, but they work differently. While human health insurance covers checkups, emergencies, and illnesses, pet insurance is usually more limited in what it covers. Pet insurance typically has three levels of coverage:

Accident Only: This would likely cover your pet being hit by a car, injuring themselves while playing,



A dog receives care for an injured leg at the vet. Photo by Adobe Stock.

or some other accident. It is usually the least expensive because the coverage is more limited.

Accident and Illness: This usually covers the accidents previously mentioned, but also illnesses like an infection or other sickness.

Wellness Add-On: Some plans offer Wellness Add-ons that cover checkups, vaccinations, and other routine testing. This tends to be the most expensive type of coverage. This insurance is not typically bought by itself, but rather something added to an existing policy.

3. Is this a benefit my employer offers, or would I be paying out of pocket?

Some companies offer pet insurance as a benefit to their employees. If it is available to you, it might be less expensive than purchasing it on your own. But be aware that you may have access to only one company through your employer. If you choose to buy on your own, you'll have access to more companies and you'll be able to shop around for a plan that fits your budget and coverage needs.

The second step is to think about your pet. Because of the way pet insurance works, it may be more difficult to find affordable coverage for some pets. Here are some questions to consider:

1. What kind of pets do I have?

Most pet insurance only covers cats and dogs. If you have other types of pets, like rabbits, ferrets, reptiles, or birds, you may have few options for pet insurance. If you have cats or dogs, you'll likely have several options and be able to get quotes from multiple companies to compare. Additionally, pet insurance for cats is typically less expensive than for dogs.

2. How many pets do I have?

Your insurance premium will also depend on the number of pets you have. The more pets you want to cover with your policy, the more expensive your coverage will be!

3. Does my pet (or my pet's breed) have any known health issues?

If your pet has a known issue with a chronic illness or has suffered a previous injury, the insurer may not cover it. For example, if you are getting insurance to cover something that was costly in the past and likely to happen again, you'll want to make sure it isn't considered "exempt", or not covered. You'll also want to think about the breed, especially for dogs. If the breed is known to have hip dysplasia, issues with certain cancers, or other illnesses, then those things may be exempt under your plan. When you're shopping around, it is very important to find out what each insurer considers as pre-existing, and therefore not covered, for your individual pet.

4. How old is my pet?

As pets age, insurance for them becomes more expensive. Older pets are more likely to need more than basic vet care, so they tend to be more expensive for the insurer. If you have an older pet, keep in mind that your premium might be higher than what you see advertised.

5. How can I compare policies? What are important factors to consider?

If you have considered your situation and decided that you do want pet insurance, then it's time to shop around. Get quotes from several companies and ask questions about how their plans work. They will likely ask what type of coverage you want (Accident, Accident and Illness, or Accident and Illness with one or more Wellness Add-ons) and for some



A dog considers an application for pet insurance. Photo by Adobe Stock.

information about your pets (age, breed, health history, and more). These policies can differ in some important ways. Below are a few terms you might see in different policies that are important to understand:

- a. Waiting Periods** – Some insurance policies have a set amount of time before the coverage, or some specific part of the coverage, actually begins. For example, a policy might have a six-month waiting period for illness coverage. Under this policy, the insurance would not cover any charges relating to an illness until you have had the policy for six months. Policies can have more than one waiting period for different types of care and the length of these waiting periods can vary.
- b. Deductible** – This refers to the amount of money you must pay before the insurance company starts to pay for any covered services. Deductibles can be per year or per incident. *Per year deductibles* start over each year, usually at the beginning of the year in January. If you have a \$500 deductible, you must pay that much each year before the insurance pays anything. *Per incident deductibles* start over for each specific situation. For example, if your dog broke their leg, you would have to meet the deductible before the insurance begins to pay. For further visits related to the broken leg, you would not have to meet the deductible again. If the dog had another

injury or illness later on, even in the same year, then you would have to meet the deductible again before the insurance would begin to pay.

- c. **Coverage Limits or Caps** – These are limits to the amount of money that the insurance will pay. If the insurance payments reach the limit or cap, then you would be responsible for any charges past that amount.

- d. **Specialty Care** – Some health conditions require a veterinarian with unique knowledge. When you have to go to a specialist provider like this, it is called *specialty care*. For example, a cardiologist would deal with complex heart issues and an oncologist would deal with cancer. Not all pet insurance covers seeing these specialists, or veterinarians with specialized skills and knowledge.

When considering the different options, this chart can help you compare options and ask the right questions.

Comparing My Pet Insurance Options	Plan 1	Plan 2	Plan 3
Monthly insurance cost			
Type of coverage			
Exempt and pre-existing conditions			
Are vet bills paid out of pocket and reimbursed or does the insurance company pay the vet office directly?			
What is (are) the waiting period(s)?			
What is the deductible?			
Is the deductible per year or per incident?			
Are there coverage limits or caps? (Meaning: is there a limit to the total amount the insurance will pay?)			
Can I see any veterinarian I want or am I required to go to a specific location?			
Does this plan cover specialty care?			
If my claim is denied (if the insurance company says they will not cover a particular vet visit), how can I appeal the denial?			
Are prescriptions covered?			
How long does it typically take to pay a claim?			
Does the plan have end of life benefits?			

For additional help with understanding terms in this publication, check out this “Words to Know” list from the University of Maryland Extension and the University of Delaware Cooperative Extension: <https://extension.umd.edu/sites/extension.umd.edu/files/2021-04/SC-SU%20Important%20Words%20to%20Know.pdf>

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