




pet insurance 101: a beginner's guide

Scratching your head about pet insurance? We're here to help! Pet insurance isn't complicated, but there are a few things you should know so you can choose the best plan and provider for you. To give you a leg up before you buy, we've created this beginner's guide to pet insurance.



Inside, you'll learn
everything you need to:

- ✓ understand what pet insurance does
- ✓ feel confident about picking plan options
- ✓ know what to look for in a provider
- ✓ spend your money wisely

Petplan[®]

what is pet insurance?

Pet insurance helps pay for unexpected veterinary care when pets get hurt or sick. Once you're covered, your provider reimburses a percentage of what you pay for treatment, making veterinary care much more affordable.

how it works

get treatment → file a claim → get reimbursed

Why does it only cover a percentage of the cost? If pet insurance covered 100% of the bill every time a sick or injured pet saw the vet, premiums would be astronomical.

To help keep monthly payments low for everyone, policyholders share some of the cost by paying:

- **a deductible** — A set dollar amount you'll pay before your insurance kicks in.
- **a co-pay** — Usually 10% to 30% of the bill after you've paid your deductible (your provider pays the remaining 70% to 90%).

Wondering what this looks like in practice?

Bacon taste-tested antifreeze in his parents' garage, and wound up hospitalized for emergency treatment. Fortunately, Petplan was there to help with the bills, and his parents were grateful they could bring home their Bacon!*

Bacon's plan	\$20,000 (annual)
the deductible	\$100
the reimbursement	90%
amount of vet bill	\$2,000
Petplan's reimbursement	\$1,700
dollar amount left to pay future vet bills	\$18,300

*Example for illustrative purposes only. Please refer to your policy terms and conditions.



what kind of pet insurance plan should I choose?

When you get a pet insurance quote, you'll be offered various options for:

- annual coverage allowance: how much the plan will pay out during the policy year
- amount of deductible: how much you pay before your insurance kicks in
- percentage of reimbursement: how much of the remaining bill your provider will pay once you've met your deductible

So how do you know what to pick? And how do your choices affect the cost?

Take the quiz on the next page to get started.



what's your pet insurance personality?

take our quiz to learn what kind of policy may be best for you.

?

Do you already have some money set aside for unexpected veterinary expenses?

yes – That money can be used to pay a deductible. If you choose a higher deductible, your premium will be lower since you'll share more of the cost at the time of the incident.**

no – If you don't have money squirreled away, you may want to choose a low deductible so your insurance will pay more of the bill. This will raise your annual premium a bit, but you'll have peace of mind knowing you won't need to spend a lot before your plan covers the rest.

** Covered cost subject to restrictions.

?

Do you have more than one pet?

yes – Expenses can add up fast when you have more than one furry family member. If you choose high-deductible plans for each of them, your monthly premiums will be lower, making it more affordable to insure multiple pets. Just remember, you'll pay a little more of the vet bill if one of your pets gets hurt or sick.

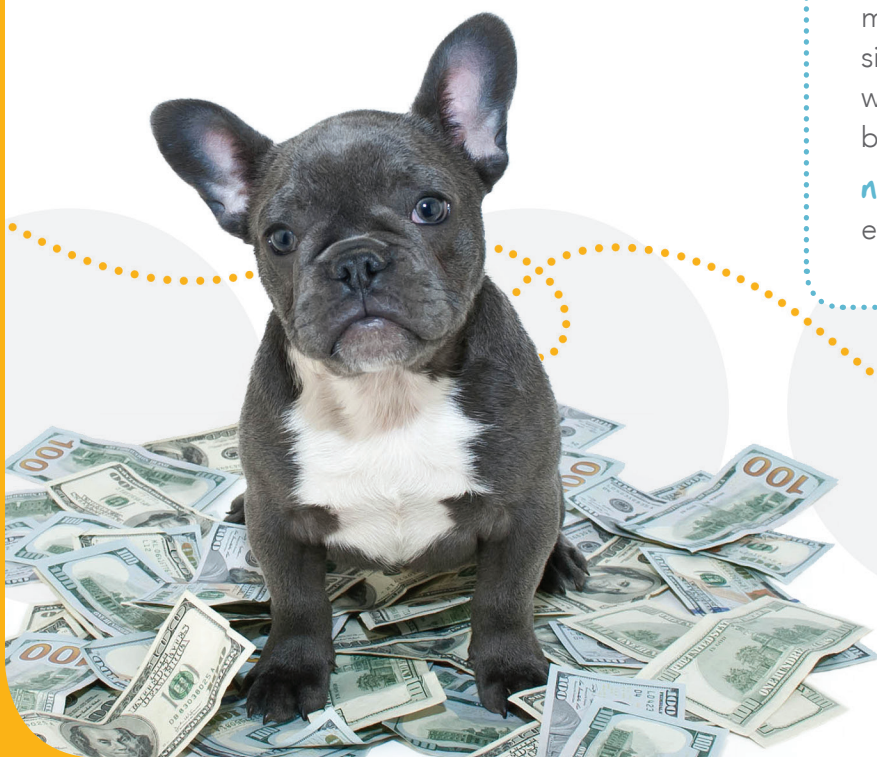
no – Maybe you should get your furry friend a sibling!

?

Do you keep a detailed household budget (and stick to it)?

yes – If you budget carefully, we suggest a low-deductible plan. It will come with a higher premium, but that's a predictable monthly expense. If your pet gets hurt or sick, you'll pay less of the unanticipated bill, which will help keep your carefully planned budget intact.

no – Not the budget type? That's okay...not everyone is.



what's your pet insurance personality?

(continued)

? Is there a limit you'd spend on vet care?

yes – If you feel that after, say, \$10,000 or \$20,000 in expenses you'd opt to stop treatment on your pet (either for financial or quality of life reasons), you may want to pick an annual coverage level close to that amount.

no – If you'd pay anything to help your pet, a plan with unlimited annual coverage will ensure you'll have help covering those expenses.

? Are you most concerned with paying the lowest premium possible or paying the least amount possible when you visit the vet?

a. lowest premium – You can keep your premium low by choosing (ranked in order of impact):

- a high deductible
- a lower reimbursement rate (e.g., 70% as opposed to 90%)
- limited total annual reimbursement

b. lowest cost at the vet – Your policy will pay the largest share of your vet bills if you choose:

- a low deductible
- the maximum reimbursement rate
- unlimited annual reimbursement

? Does pet insurance interest you more as:

a. a safety net in case of a major health expense – If your reason for buying pet insurance is just in case something major happens, you may want to choose a high-deductible plan. You will pay more of the vet bill if your pet suffers a major injury or illness, but your premium (the money you pay regularly) will be lower.

If pet insurance is really just an emergency backup for you, you can go with a lower premium plan and put some money aside to pay the deductible you select in case something happens to your pet.

b. something that will help pay for smaller, more common health problems – If you're looking at pet insurance as a way to save as much as possible every time you visit the vet, a low-deductible plan can give you the peace of mind that no matter how many times you need to go, most of the bill will be covered by your policy.***

Your premium will be higher with a low deductible, but this type of plan may be best if your pet is prone to a lot of health issues because of their breed (Bulldogs, we're looking at you!).

*** Subject to policy terms and conditions.



how to find the best pet insurance

deal breakers: if any of the following is true —
move on to the next provider!

❗ **They limit coverage for hereditary conditions.**

why it matters: Every breed has its health problems. A pet insurance policy that doesn't fully cover inherited conditions — or expects you to pay extra for the coverage — should immediately be crossed off your list.

❗ **They list a set amount each condition "should" cost (called a benefit schedule), instead of reimbursing you based on what you actually pay for treatment.**

why it matters: If your pet experiences complications during treatment, the final cost can easily exceed what a condition typically costs to treat. If your provider uses a benefit schedule, you can wind up paying a much larger share of the bill than you should have to.

❗ **They make cancer coverage (or other coverages) an add-on at an additional cost.**

why it matters: If you have the option to buy add-ons or riders for your plan, that means the coverage isn't complete on its own. Why would you pay for incomplete coverage when there are providers whose offering is comprehensive?

❗ **They don't cover dental conditions or limit coverage.**

why it matters: Dental mishaps happen, too! Your plan should help you take care of treating dental injuries like tooth fractures and illnesses like periodontal disease (which the majority of pets develop in their lifetime.)

❗ **They exclude the cost of the vet exam to diagnose an illness or injury.**

why it matters: If your pet has a chronic condition, the cost of the vet visits can add up fast. With your exam fees included in coverage, that's one less expense to worry about.



pet insurance checklist

Be sure you're spending your money wisely by getting answers to the following questions before committing to a policy.

If you can't find this info on the company's website, give them a call. Sometimes talking to a live person is quicker and easier than clicking through pages — plus talking to customer service reps can give you a better feel for the company.

- ✔ What are the **waiting periods** before a claim can be covered?
- ✔ Can any of the **policy exclusions** be waived?
- ✔ What do plans **cover as standard** and what coverage do I have to buy separately?
- ✔ Will my reimbursement include the **cost of the vet exam** to diagnose the illness or injury?
- ✔ Are there **limits on how much my policy will pay** for a specific condition, either during the policy year or over the lifetime of my pet?
- ✔ Are there **age limits** for coverage?
- ✔ Are **chronic conditions** covered year after year or is there a limit to how much the insurance will pay for a single condition over the lifetime of my pet?
- ✔ Is **cancer** coverage included?
- ✔ Are **dental illnesses and injuries** covered?
- ✔ Does the company cover **curable pre-existing conditions**?
- ✔ Are **alternative and complementary therapies** (like acupuncture or physical rehab) covered?
- ✔ Are **prescription medications** fully covered (including veterinarian-recommended supplements)?



5 FAQs about pet insurance

1 If my pet already has an illness, can I still get him covered?

Yes! He's coverable for any new illness or injury he develops once you buy a policy, but you won't be able to submit claims for the condition he already has.

2 If my pet had an issue in the past but recovered from it, is that condition coverable in the future?

It depends on the provider. Look for a company that will reinstate coverage for curable pre-existing conditions (e.g., an ear infection) after a period of time with no relapse. Pet insurance rarely covers an incurable pre-existing condition like cancer or diabetes. This is why it pays to insure pets while they're young and healthy!

3 Does pet insurance cover vaccinations, checkups and other wellness care?

No. Pet insurance is a financial safety net that helps pay for unexpected illnesses and injuries. If you're interested in a wellness plan, ask your veterinarian if they offer one.

4 How is the cost of my policy calculated?

Typically, your premium will depend on your pet's age, breed and the ZIP or postal code you reside in, and can be adjusted up or down depending on the policy options you select (deductible, reimbursement rate, etc.).

5 How I do file a claim?

You can file a claim by completing a claim form and sending it to your provider with copies of your paid invoices, then asking your vet to forward your pet's medical records to your provider. This can be done by fax, mail or email. A few companies make it even easier by letting you send paperless claims via their app.



pet insurance by the numbers

1 in 3



number of pets who experience an unexpected health issue each year²

one

minimum number of wellness checkups your pet should have each year¹

40

percentage of pet insurance claims that are for chronic conditions lasting 12 months or more³

2½

times more likely that a pet under age 1 is going to need unexpected vet care than an adult pet³



\$1,872

the average cost to treat a pet who has eaten an object he shouldn't have³

