

## **What is Pet Insurance and How does it Work?**

Pet insurance is becoming commonplace. The purchase of pet insurance has been growing about 20% each year. 2021 has been a record year for pet insurance enrollment. Having pet insurance allows pet owners to provide the needed care for their furry friends, especially during times of unexpected illness or accidents. There are 20 major pet insurance companies in the United States. In this article, we will discuss the difference between insurance plans and items to be aware of.

### **Reimbursement plans**

All pet insurance companies either use a percentage of the invoice or a benefit schedule to calculate reimbursement.

With pet insurance, the pet owner pays the veterinary clinic at the time of service. The pet owner then submits receipts and needed paperwork to the pet insurance company. The pet owner then is reimbursed from the insurance company.

1. **Percentage of the Invoice:** The insurance company covers a percentage of the total bill. This is usually after a deductible is met. Some companies have a set percentage while others let you pick from a couple percentages (70%, 80%, 90%) based on your budget.  
Example: You met your deductible, and your plan reimburses 80% for illnesses. Your pet has an ear infection, and your total bill is \$250. You are reimbursed \$200 from the insurance company.  
Pets Best [petsbest.com](https://www.petsbest.com) is an example of an insurance company that is a percentage of the invoice.
2. **Benefit Schedule:** Reimbursement is capped at a set amount for each condition per year.  
Example: Your pet has an ear infection, and your total bill is \$250. Your insurance company allows up to \$400 per year for skin/ear infections. You would get \$250 reimbursed. If your pet has another ear infection that year you would be reimbursed \$150 since the maximum per year is \$400 total.

### **Types of Coverage**

There are different coverage options and different insurance companies have different terminology. It is important to read the details of what they include. Here are some common examples:

1. **Accident:** This is usually a low-cost option that covers unforeseen accidents such as broken legs and trauma.
2. **Illness:** This covers sickness such as ear infections, skin infections, urinary tract infections. It may not cover hereditary conditions or joint conditions such as hip dysplasia or a torn cruciate.
3. **Wellness:** This covers wellness items such as exams, routine lab tests, vaccinations, heartworm, routine surgeries, and dental cleanings as well as flea and tick medication. It is usually something you can add on to a medical plan.
4. **Whole Pet:** Many companies have combination plans that cover both Accident & Illness and may have options to cover hereditary or joint conditions. Often high-expense care such as cancer care may also be an added cost.

### **Items to be aware of**

It is always best to get pet insurance as soon as possible, ideally as a puppy. Insurance companies will not cover pre-existing conditions. There may be a waiting period where conditions are not yet covered. An example of a condition that commonly has a waiting period of 6-12 months is a torn cruciate ligament. Some insurance companies will not cover a pet over a certain age, but others will cover any age pet. Some insurance companies have a deductible, in some cases you can choose the deductible amount based on your budget (example \$500, \$1000). It is very important that you read all the stipulations, so you are clear what is and what is not covered in your plan, deductibles, and reimbursement schedules.

## Pets Best Plan Samples:

**BestBenefit Accident and Illness Plan**  
Full coverage for accidents, illnesses, hereditary and congenital conditions.

**Accident Only Plan**  
For limited budgets. Great coverage for things like broken legs, accidental swallowing, and more.

**+ Routine Care and Wellness Coverage**  
Optional plan add-ons that help pay for wellness exams, dental cleanings, blood work, and routine care.

Disclaimer: This written content is meant to be educational and is not medical advice. Always consult a veterinarian about medical advice for your pet.