

## To Insure or Not to Insure by Mary deManbey

### Is Pet Insurance Worth the Cost?

With millions of Americans counted among the medically uninsured and with many others having difficulty paying medical insurance premiums, some might wonder why pet owners would consider buying health insurance for their pet. If statistics are any indication, many Americans are doing just that. The oldest pet insurance carrier, VPI (Veterinary Pet Insurance) has seen its revenues climb at an average annual rate of 26.8% since 1998; and in 2007, VPI had gross sales of \$149 million.

But a lagging question remains for many pet owners. Should I buy pet insurance – is it really worth the cost?

For Connecticut resident Michele Longo, pet insurance is equally as important as medical insurance for children. Michele found out just how valuable pet insurance is when her dog, Coco, contracted an illness that resulted in a \$5,000 veterinary bill. Luckily, Michele's pet insurance carrier paid for half the cost. She purchased the policy when Coco was 4 years old because she never wanted to put a price on her dog's life. "And it has been worth every penny – it saved his life," Michele said.

Kristin Gallagher agrees. As a dog trainer, she has seen how easily the unexpected can happen to a pet, costing pet owners a lot of money he or she might not have. "I've had so many clients where the dog ate something and you have to make a decision right away," Kristin said. "Having pet insurance gives you a little leeway, knowing you will be reimbursed at some point."

The reality is the cost of pet care has risen dramatically. According to the American Pet Products Association, in 2009 alone, \$12.2 billion was spent on veterinary care, representing a 10% increase from 2008.

However, with advances in veterinary care rivaling that of human care, what was once not possible for animals, such as MRI scans, cancer treatments and reconstructions, is now a reality, enabling pets to live longer, healthier lives. Still, even though the cost of pet medical procedures has increased, pet owners are advised to make an educated decision about the need for pet insurance. Some financial experts suggest if you are thinking about purchasing pet insurance, you should consider the cost of the premiums versus the cost of veterinary care over your pet's predicted lifetime. If premiums average \$5,000-\$6,000 (average monthly costs are \$25-\$50), many experts will advise that you will not pay that much out-of-pocket for your pet's health care over a lifetime.

Our Companions volunteer Jon Phillips discovered the premium insurance coverage he paid for did not include routine care, and the limitations were similar to people's insurance. "As with any insurance, we were paying more in than we were using, so eventually we took the money we were paying in monthly premiums and direct deposited it into a savings account instead," said Jon. Now that his pets are older, he is looking into a health care credit card for emergencies. "The interest is less than paying into an insurance policy we may never use."

#### What You Need to Know

When Our Companions volunteer Elizabeth D'Onofrio inquired about pet insurance for her two older pugs, she was told the company didn't insure any pet older than 10. Not all carriers have this requirement, which is why it's impor-

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tant to shop around. One insurer may cover a certain condition while another might not, so be sure to fully understand exactly which conditions are covered. It's also important to know if your policy is renewed year-to-year. For instance, some pet insurance companies require policyholders to renew every year – this means if your pet has a pre-existing condition or a condition that was treated in the previous policy year, the same condition in all probability would not be covered in the new policy year.

#### Most Expensive Common Procedures

Dogs	Average Cost	Cats	Average Cost
Intervertebral disk disease	\$2844	Foreign body ingestion (small intestine)	\$1629
Lung cancer	\$2032	Urinary tract reconstruction	\$1399
Gastric torsion (bloat)	\$1955	Foreign body ingestion (stomach)	\$1391
Foreign body ingestion (small intestine)	\$1629	Rectal cancer	\$1011
Cruciate rupture	\$1517	Bladder stones	\$989
Foreign body ingestion (stomach)	\$1398	Intestinal cancer	\$942
Cataract (senior)	\$1244	Hyperthyroidism (radiation)	\$920
Pin in broken limb	\$1000	Acute renal failure	\$565

\*Costs vary on a case-by-case basis and are not intended to suggest typical reimbursements or reflect average national veterinary fees. Source: VPI via Bankrate.com.