

Benefit Fact Sheet

What is it?

Pet insurance provides individuals with financial protection in caring for their pets. Insurance coverage varies from routine care to treatment of severe health conditions and accidents. A typical policy includes a deductible of \$40-\$100 per incident and a waiting period between application and commencement of coverage. There are generally exclusions for congenital or hereditary defects or diseases, pre-existing conditions and certain treatments. Most programs also apply exclusions or limitations based on age and breed. The benefit is usually a fixed coinsurance, though some programs use a benefit schedule to determine reimbursement amounts.

Why offer it?

- Differentiate employee benefit package.
- Employees can purchase insurance at lower group rates.
- Minimal plan administration.
- Employees are spending more on sophisticated veterinary care. Pet insurance provides financial protection to the employee without additional cost to the employer.

What types of employers offer it?

- Progressive employers.
- Employers interested in providing a holistic benefits package.
- Companies with significant concentrations of employees.

What size employers offer it?

Typically larger employers with at least 1,000 employees. Group coverage plans have fallen out of favor within recent years. As a result, coverage is typically offered at the individual level.

What are the critical underwriting or participation requirements?

- Insurers often have a minimum participation requirement.
- Age limitations may apply. Insurance programs typically decline illness coverage for dogs 8 years and older and cats 10 years and older.
- Coverage exclusions may include pre-existing conditions, hereditary conditions, congenital conditions, parasites, and more.

What's new in this area?

Pet insurers now insure birds, rabbits, and other exotic animals. These animals are typically insured under separate coverage plans with different limitations than the traditional dog and cat programs.

Benefit Fact Sheet

How much does it cost?

Coverage is individually rated by age, breed, and geographic location of pet. Monthly premium rates range from \$15 to \$28 per pet depending on the coverage level desired (VPI Pet Insurance). Coverage levels typically consist of accident only, illness only, accident and illness, and more comprehensive routine care, such as vaccinations. Discounts are often available for households with two or more pets. Additionally, carriers often offer pet lost-and-found programs which are either included in the rates or available for an additional fee.

Informational link(s)

- [Pet Industry Growth Not Slowed by Economy](http://ohmidog.com) (ohmidog.com)
- [Travelling with your Pet - Airline Travel Tips](http://pettravel.com) (pettravel.com)
- [American Pet Product Association](http://americanpetproducts.com) (americanpetproducts.com)

Pet Insurance Providers

- [Veterinary Pet Insurance](#)
- [Pet Assure](#)
- [Pet Care](#)
- [Embrace Pet Insurance](#)

Pros and cons

Pros

- Financial protection for pet owners
- Ease of administration for employers
- Benefit may be added at no cost to employer

Cons

- Pre-existing conditions are excluded from coverage until they are cured (i.e. dermatitis, hypothyroid syndrome, hereditary or congenital conditions)
- Certain ages, breeds, and medical conditions may make pet ineligible for coverage (i.e., diabetes)
- Minimum enrollment participation requirements may be challenging to meet for smaller employers

This Fact Sheet is designed to provide a general overview of the benefit program, service, or regulatory act it describes. The information included in this document is not a substitute for legal or professional opinion relative to a plan sponsor's particular fact pattern. Your ArlenGroup consultant can answer more specific questions relative to its application for your organization. A menu of additional topics is available online at: www.arlengroup.com/facts.