

Special Report

Pet Insurance Research Guide

By

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How To Choose Which Pet Insurance Company and Plan Is Best For You

When choosing a pet health insurance company, you are starting a *relationship* that you need to be comfortable with. Sometimes the service you receive and the trust factor is more important than the cost factor. Because pre-existing conditions are not covered by any insurance company, it is best if you make the right choice the first time rather than being dissatisfied and switching later to another company after you've filed several claims and your pet then has one or more conditions that won't be covered.

Before you purchase a policy for your pet, you need to decide what you expect from a pet health insurance policy and then do some research to find the right company and policy for your situation. The best one for you may not be the best one for someone else.

There are two major factors to consider—accident/illness coverage and wellness coverage. Keep in mind that the primary reason for buying pet health insurance is coverage for unexpected accidents and illnesses for which you would have trouble paying for out of pocket. Here are some things to consider when purchasing a pet insurance policy:

- ✓ The best time to buy a policy is while your pet is young, preferably when a puppy or kitten, *before* any problems show up that the insurance company would consider pre-existing.
- ✓ Buy a policy that covers hereditary conditions and chronic conditions, preferably with minimal restrictions and no additional costs.
- ✓ Annual maximums and deductibles are better than per-incident maximums and deductibles. Anytime you see "per-incident," it is just another limitation on what the insurance company will pay. If you buy a policy that has per-incident limits, get the highest per-incident maximum and the lowest per-incident deductible that you can afford.
- ✓ When considering deductibles and co-pays, get the highest *annual* deductible and lowest co-pay that you can afford. The deductible is a fixed, known amount that you can budget for. The co-pay is a percentage of the total bill and an unknown amount.

- ✓ Ask if the company will raise premiums based on claim experience. In other words, if you file x number of claims deemed excessive by the company, will they raise your premiums?
- ✓ Do your research. Many of the people who write unfavorable reviews about pet insurance in general or an insurance company in particular will admit they didn't do enough research prior to purchasing a policy. *Never* buy a policy without actually reading it (they are available on company websites) *and* understanding it. If you don't understand something, call or e-mail the company for clarification. *Never* buy a policy without reading [reviews](#) and the comments following the reviews.

It is also important to consider how a company pays benefits. This could affect how much reimbursement you get back from the company. Below is a table that summarizes how each company pays their benefits at this time:

	A	B	C
Pets Best	*		
ASPCA			*
Petshealth			*
AKC			*
Petfirst	*		
Embrace	*		
PetPlan	*		
VPI		*	
PetCare	*		
Trupanion	*		
PurinaCare	*		
National	*		

- A** – pays according to whatever veterinarian charges—this is the best scenario
- B** – pays according to a benefit schedule
- C** – pays according to a fee schedule that is considered reasonable and customary for your region of the country.

Listed below are all the companies that currently offer pet insurance policies in the United States. The first thing you should do when you visit a company's website is obtain a quote for your pet(s). How to do this is usually prominently displayed on the home page. This will let you know if your pet can be covered by that company and what plans the pet is eligible for. Sometimes a company may not yet be licensed to sell policies in your state, or because of your pet's age or previous medical history, he or she may not be eligible for coverage by that company or may be eligible for only certain policies. By obtaining a quote first, you won't waste your time reading all the details about plans for which your pet isn't eligible for coverage. Print out and save the quotes for the plans for which your pet is eligible. Read the details about the plans on the company's website. Read their FAQs page. Print a copy of a sample policy and *read* it. Finally read the [reviews](#) of other policyholders and write down your impressions about what you read.

[Embrace](#)

[Pets Best](#)

[Petfirst](#)

[ASPCA and PetsHealth](#)

[AKC](#)

[24PetWatch](#)

[Petplan](#)

[VPI](#)

[Trupanion](#)

[PurinaCare](#)

[National Pet Insurance](#)

After going through this process, you should be able to narrow down the companies and plans that you are interested in. You can use the table on page 11 of this report to compare these companies and plans side by side. This table, from my book (modified), is designed to help you summarize your findings *after you've done the research*.

On pages 7 – 10 of this report is an example of how to do this research and use the table. I gathered the premium information from each company on a 1 year old Beagle. I picked what I considered to be the best policy for each company for this 1-year old Beagle. For those companies that have flexible policies and allow pet owners to select their own maximums, deductible, and co-pay, I tried to choose a policy based on the principles I detailed above and that were also comparable to the policies of the other companies. Since two companies don't cover wellness care, when possible, I tried to select a policy without wellness benefits. However, the best policies for some companies come with wellness benefits that aren't optional.

Explanations about the table:

You see “Per-Incident Maximum” in red. This is meant to be a warning before purchasing such a policy. Notice how a policy with a per-incident maximum limits benefits on a large claim. Why did I pick \$10,000? I did so to accentuate this limitation for you, but also because that's why you buy pet insurance – to protect against catastrophic claims.

You see highlighted in yellow those factors that I believe are the most important to consider when choosing a company and plan for your pet.

The number in the “Favorable Reviews” row is the average review (out of 10) that pet owners gave the company on petinsurancereview.com. When doing your research, you need to *actually read the reviews and comments* though.

Pet owners are most concerned about the monthly or annual premium. A popular google search is for “cheap pet insurance.” However, we all know that cheap isn't always better. As you can see, the *total out-of-pocket cost* is the most important figure to look at.

Below is an example of how to calculate out-of-pocket costs (including the premium) if you have one \$10,000 claim during the year. In reality, you may not have any claims during the year and your only cost will simply be the annual premium, but most years you will likely have one or more claims. This is a simplistic example and assumes that all procedures on the veterinary invoice are covered. But, it is an objective way to compare companies.

Embrace → \$10,000 - \$100 deductible = \$9,900 × 10% co-pay = \$990.

\$990 (co-pay) + \$100 (deductible) + \$763 (premium) = \$1,853

Trupanion – the reason for the * after total out-of-pocket costs is because this company doesn't pay for examination fees, so these would also come out-of-pocket and will vary depending on the invoice.

The reason for the (?) in the total out-of-pocket costs for AKC, VPI, and ASPCA is because they base their benefits on a fee schedule or benefit schedule (not what the veterinarian charges on the invoice) which *may* limit reimbursements. But, notice that the biggest limitation was due to the per-incident maximum. Also, VPI has changed their plans recently, but they must be approved state by state before going into effect. Since their old plans are the ones available in my state (Tennessee), that's what I used. While the new plans (Medical, Major Medical, and Accident) have several improvements (no per-incident limit and no co-pay), they kept the benefit schedule in place.

PetPlan – the reason for the # next to the co-pay is that if you carry your pet to a specialist or after-hours emergency hospital (for a problem that isn't a real emergency), your co-pay is 20% regardless of what your plan's regular co-pay is.

After doing your research, should you automatically choose the company and policy with the lowest out-of-pocket costs? Not necessarily. For example, the company that I consider the best for accident and illness coverage doesn't offer wellness care coverage. This isn't a big deal to me, but some pet owners may be interested in wellness coverage. Then you have to look at the companies that offer wellness coverage and choose from those. Here again, you wouldn't necessarily choose the one with the lowest out-of-pocket costs. You should take all the important (highlighted) factors into consideration as well as any other information you gained while doing your research e.g. how a company's wellness benefit reimbursements stack up against the others, etc.

Company	Embrace	PetPlan	Trupanion	AKC	VPI	PetsBest
Plan	Custom	Custom		Essential Plus	Superior	PetFirst
Lifetime Maximum			\$20,000			\$100,000
Annual Maximum	\$10,000	\$20,000		\$11,000	\$14,000	
Per-Incident Maximum				\$3,000	\$4,500	\$7,000
Annual Deductible	\$100			\$125		
Per-Incident Deductible		\$50	\$50		\$50	\$100
Co-pay %	10%	10% #	10%	20%	10%	20%
Covers Hereditary Diseases	Yes	Yes	Yes – except hip dysplasia (optional)	No	No	Yes- Limited
Covers Chronic Diseases	Yes – limited to 25% annual max.	Yes	Yes	Yes- limited	Yes	Yes- Limited to Per-Incident Max.
Covers Wellness	Optional	No	No	No	Optional	Optional
Pays According to Invoice	Yes	Yes	Yes	No	No	Yes
Favorable Reviews	9.11	9.39	8.65	4.68	4.89	7.58
Monthly Premium	\$63.59	\$37.07	\$33.38	\$35.00	\$22.50	\$36.25
Annual Premium	\$763	\$445	\$400	\$420	\$270	\$435
Invoice	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
You Pay	\$1,090	\$1,045	\$1,045*	\$7,000 ?	\$5,500 ?	\$3,000
Company Pays	\$8,910	\$8,955	\$8,955*	\$3,000 ?	\$4,500 ?	\$7,000
Total Out-of-Pocket	\$1,853	\$1,490	\$1,445*	7,420 ?	\$5,770 ?	\$3,435

Company	24Petwatch	PetFirst	Purina	National	ASPCA
Plan	Quickcare Gold 90% Double- Illness	Preferred Plus		Unconditional Love	Level 4 Premier
Lifet ime Maximum	\$72,000 (\$6,000 per category)				
Annual Maximum		\$15,000	\$20,000	\$15,000	\$13,000
Per-Incident Maximum		\$3,500		\$3500	\$5,000
Annual Deductible			\$100	\$100	\$100
Per-Incident Deductible	\$100	\$50			
Copay %	10%	10%	20%	20%	20%
Covers Hereditary Diseases	Yes –limited to category maximum	Yes – additional premium	Yes	Yes	No
C o v e r s Chronic Diseases	Yes- limited to category maximum	Yes – additional premium	Yes	Yes	Yes – limited
Covers Wellness	No	Yes	Optional with higher deductibles	Optional	Yes
Pays According to Invoice	Yes	Yes	Yes	Yes	No
F a v o r a b l e Reviews	3.94	8.71	8.61	?	5.77
Premium	\$62.90	\$49.95	\$38.31	39.13	\$77.64
A n n u a l Premium	\$755	\$599	\$460	\$470	\$932
Invoice	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
You Pay	\$4,000	\$6,500	\$2,080	\$6,500	\$5,000 ?
C o m p a n y Pays	\$6,000	\$3,500	\$7,920	\$3,500	\$5,000 ?
Total Out of Pocket	\$4,755	\$7,099	\$2,540	\$6,970	\$5,932 ?

Below is an example of only a \$500 claim for a comparison to a very large claim:

Company	Embrace	PetPlan	Trupanion	AKC	VPI	PetsBest
Plan	Custom	Custom		Essential Plus	Superior	PetFirst
Lifetime Maximum			\$20,000			\$100,000
Annual Maximum	\$10,000	\$20,000		\$11,000	\$14,000	
Per-Incident Maximum				\$3,000	\$4500	\$7,000
Annual Deductible	\$100			\$125		
Per-Incident Deductible		\$50	\$50		\$50	\$100
Co-pay %	10%	10% #	10%	20%	10%	20%
Covers Hereditary Diseases	Yes	Yes	Yes – except hip dysplasia (optional)	No	No	Yes- Limited
Covers Chronic Diseases	Yes – limited to 25% annual max.	Yes	Yes	Yes- limited	Yes	Yes- Limited to Per-Incident Max.
Covers Wellness	Optional	No	No	No	Optional	Optional
Pays According to Invoice	Yes	Yes	Yes	No	No	Yes
Favorable Reviews	9.11	9.39	8.65	4.68	4.89	7.58
Monthly Premium	\$63.59	\$37.07	\$33.38	\$35.00	\$22.50	\$36.25
Annual Premium	\$763	\$445	\$400	\$420	\$270	\$435
Invoice	\$500	\$500	\$500	\$500	\$500	\$500
You Pay	\$140	\$95	\$95*	\$200 ?	\$95 ?	\$180
Company Pays	\$360	\$405	\$405*	\$300 ?	\$405 ?	\$320
Total Out-of-Pocket	\$903	\$540	\$495*	620 ?	\$365 ?	\$615

Company	24PetWatch	PetFirst	Purina	National	ASPCA
Plan	Quickcare Gold 90% Double- Illness	Preferred Plus		Unconditional Love	Level 4 Premier
Lifet ime Maximum	\$72,000 (\$6,000 per category)				
Annual Maximum		\$15,000	\$20,000	\$15,000	\$13,000
Per-Incident Maximum		\$3,500		\$3500	\$5,000
Annual Deductible			\$100	\$100	\$100
Per-Incident Deductible	\$100	\$50			
Copay %	10%	10%	20%	20%	20%
Covers Hereditary Diseases	Yes –limited to category maximum	Yes – additional premium	Yes	Yes	No
C o v e r s Chronic Diseases	Yes- limited to category maximum	Yes – additional premium	Yes	Yes	Yes – limited
Covers Wellness	No	Yes	Optional with higher deductibles	Optional	Yes
Pays According to Invoice	Yes	Yes	Yes	Yes	No
F a v o r a b l e Reviews	3.94	8.71	8.61	?	5.77
Premium	\$62.90	\$49.95	\$38.31	39.13	\$77.64
A n n u a l Premium	\$755	\$599	\$460	\$470	\$932
Invoice	\$500	\$500	\$500	\$500	\$500
You Pay	\$140	\$95	\$180	\$180	\$180 ?
C o m p a n y Pays	\$360	\$405	\$320	\$320	\$320 ?
Total Out of Pocket	\$895	\$694	\$640	\$650	\$1,112 ?

If you filed more claims during the policy year and you had an *annual* deductible, you wouldn't have to pay another deductible.

Below, you will find a blank table that you can print and fill out as you do your research.

Company						
Plan						
L i f e t i m e Maximum						
Annual Maximum						
Per-Incident Maximum						
Annual Deductible						
Per-Incident Deductible						
Copay %						
Covers Hereditary Diseases						
C o v e r s Chronic Diseases						
Covers Wellness						
Pays According to Invoice						
F a v o r a b l e Reviews						
M o n t h l y Premium						
A n n u a l Premium						
I n v o i c e Amount						
You Pay						
C o m p a n y Pays						
T o t a l O u t o f Pocket						

As you can see there is a lot that goes into making a wise choice when selecting a pet insurance company and policy for your situation and your pet.

For much more detailed information about each company and its policies, I recommend you read my book, [Your Guide To Understanding Pet Health Insurance](#) and refer to it as you do your research. Even after two years of research and writing the book, I found myself referring back to it as I wrote this report.

I also author a [blog](#) to provide further information and updates about pet health insurance. I am always glad to answer any questions or comments from pet owners or veterinarians.