



The Standard of
Veterinary Excellence

Ensuring Your Pet's Health

*A Guide for Pet Owners from the
American Animal Hospital Association*



Dear Fellow Pet Owner,

Opening your home to a pet is one of the most rewarding experiences you will ever have. Thanks to new developments in veterinary medicine, pets today enjoy longer, healthier lives than ever before.

Did you know that many dogs in the United States now live 12 years or more, almost double their average lifespan in the 1950s? Indoor cats often thrive for 14 years or longer, and birds, reptiles, exotic pets — and even fish — enjoy much longer lives when given good care.

Obviously, responsible pet ownership has a price. In addition to the cost of quality food and routine veterinary visits to keep your pet healthy, you should also plan for accidents and unexpected, potentially major illnesses that, while expensive to treat, need not be fatal.

When the cost of quality medical care exceeds the family budget, pet owners are forced to incur burdensome debt or even euthanize their pets. For more than 70 years, the American Animal Hospital Association (AAHA) has been committed to saving pets' lives. We do not want any pet to face euthanasia, a compromised quality of life or even death resulting from an untreated illness or injury simply because of veterinary costs, and we believe high-deductible pet health insurance is an excellent way to prevent that from happening.

We believe no pet should be denied treatment that can restore its health or save its life. Depending on your circumstances, high-deductible pet health insurance may be a good option to ensure you can afford the care your pet needs when emergencies arise.

Of course, deciding how to fund your pet's medical care is an individual choice, and there are many options to consider. This booklet explains how high-deductible coverage serves you and your pet, working with your veterinarian to promote your pet's longevity and health.



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— *The Veterinary Professionals of the
American Animal Hospital Association*

The American Animal Hospital Association Seal of Acceptance

The American Animal Hospital Association (AAHA) Seal of Acceptance program was established to help pet owners make good choices for quality pet care.



Many pet owners are considering pet health insurance policies as a means to cover their pet's medical expenses. Studies have shown that many pet owners can manage expenses up to \$500, but have difficulty with expenses beyond that level.

For that reason, AAHA has urged the pet health insurance industry to offer high-deductible policies. Higher deductibles reduce premiums while covering costly medical care — a sensible option for many pet owners. The AAHA Seal of Acceptance has been awarded to high-deductible pet health insurance policies (at least \$500) that meet specific criteria, including all of the following:

- Coverage, benefits and exclusions for the high-deductible policies must be at least equal to the terms and conditions of all other insurance policies offered by the provider.
- All of the provider's insurance policies must be underwritten by companies with an A.M. Best rating of B+ or better or an equivalent rating.
- The provider and salesperson must be approved to sell high-deductible policies in all the states and provinces in which they are licensed.
- All policies of the provider must allow the policy holder to seek care from any licensed veterinarian of the policy holder's choosing.

Established in 1933, AAHA is well known among veterinarians and pet owners for its standards for hospitals and pet health care. AAHA is the only organization that accredits animal hospitals throughout the U.S. and Canada. Approximately 3,000 AAHA-accredited hospitals voluntarily choose to be evaluated on 900 standards in the following areas: quality of care, diagnostics and pharmacy, management, medical records and facility.

For more information about the AAHA Seal of Acceptance, to compare the features and benefits of pet insurance providers who have earned the AAHA Seal of Acceptance, or referral to an AAHA-accredited animal hospital, please visit www.healthyvet.com or call 800/252-2242.

The Value of High-Deductible Pet Health Insurance

Not long ago, medical treatments such as dialysis, joint replacements, laser surgery, radiology and chemotherapy were reserved for humans. Fortunately for our pets, that's no longer the case. Today, most veterinary practices offer these services and many more, either in their hospitals or in conjunction with specialty practices.

Here are just a few common illnesses that are treatable. Costs vary, but fees for diagnostics and treatments range from less than \$100 to several thousand dollars for the most serious conditions.

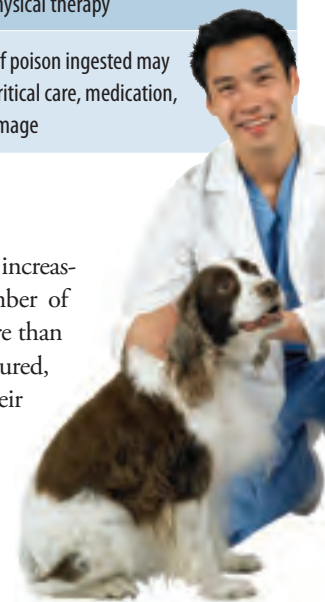
ILLNESS	SAMPLE DIAGNOSTICS/TREATMENT
Broken leg	X-rays, blood work, cast and/or surgery, pain medications, physical therapy, follow-up examinations and X-rays
Cancer	Surgery, chemotherapy, radiation, immunotherapy
Acute kidney failure	Laboratory tests, diuresis with fluids, hospitalization, medications, possible long-term treatment
Hip dysplasia	X-rays, medications, surgery, hip replacement, physical therapy
Poisoning	Emergency diagnosis; treatment based on type of poison ingested may include: surgery, overnight or multi-day stay in critical care, medication, follow-up visits, possible treatment for organ damage

Funding the Unexpected

Statistics show that pet health insurance is becoming increasingly popular in the United States. In fact, the number of American pets covered by pet health insurance has more than doubled since 2002. Still, far too many pets are uninsured, and every year, some are euthanized simply because their owners can't afford the cost of medical care.

Do not let this happen to your pet! With several insurance companies and dozens of different policies to choose from, pet health insurance deserves your serious consideration.

One affordable and practical type of coverage is called high-deductible pet health insurance. This covers major illness, accidents and other medical needs you can't anticipate.



Options for Funding Your Pet's Medical Care

Until recently, pet owners had to dip into their savings to pay for pet care. Today, personal savings are just one way to pay for veterinary services. Here are some factors to help you decide which option or combination of options works best for you.



Before you decide which option is best for you, be sure you know how much you're likely to spend caring for your pet during its lifetime.

¹ U.S. savings rate at lowest since Great Depression, CBC News, Feb. 1, 2007, www.cbc.ca/money/story/2007/02/01/ussavings.html.

OPTION	ADVANTAGES		DISADVANTAGES	CONSIDER THIS
Personal savings	<ul style="list-style-type: none"> • A good option for small bills and routine visits. • No paperwork. • No waiting period. • Immediate access to funds. • No disputes over what is covered. 		<ul style="list-style-type: none"> • Sticking to a saving plan is hard for most people. The 2006 U.S. saving rate was -0.4%, meaning Americans spent everything they made... and then some.¹ • You'll need to designate money for pet care that may be needed for another purpose. 	<ul style="list-style-type: none"> • If you don't currently follow a regular saving plan, this option will be difficult. • If you wait too long to start or fail to save enough, money won't be available when you need it.
Personal credit card(s)	<ul style="list-style-type: none"> • A good option for small bills and routine visits. • No paperwork. • No waiting period. • Immediate payment possible. • No disputes over what is covered. 		<ul style="list-style-type: none"> • Credit card limits restrict the amount you can spend on pet care. • High interest rates may make repayment difficult. • Failure to pay on time may damage your credit rating. 	<ul style="list-style-type: none"> • Bills mount quickly, particularly if you carry balances on several cards. • Consider the impact funding pet care with credit cards will have on your total financial situation if you are unable to pay off the balance rapidly.
Pet health credit card	<ul style="list-style-type: none"> • Can be used in combination with pet health insurance or other forms of payment. • No interest if repayment is made by the designated date. • Extended payment plans offered. • Same day approval. 		<ul style="list-style-type: none"> • Credit approval required. • Interest rates increase if you exceed your credit limit, pay late or fail to pay in full by the designated date. • You may need to pay part of the bill up front if costs exceed your pet health credit card limit. 	<ul style="list-style-type: none"> • As with any credit card, read the application and fine print carefully. Understand your financial obligations before you sign.
Comprehensive pet health insurance	<ul style="list-style-type: none"> • Varies significantly by provider. Some policies include both routine care such as prescriptions and hospitalizations and major emergencies. Preventive care such as vaccinations, wellness checks and flea/heartworm care may be included or may require an additional fee. 		<ul style="list-style-type: none"> • Full coverage generally means higher premiums. • You may pay more for insurance than you would spend if you paid for routine care out-of-pocket. • May not cover genetic, hereditary or pre-existing conditions. • Chronic conditions may require special coverage. • Requires a waiting period before policy becomes active. 	<ul style="list-style-type: none"> • Most pet health insurance policies are indemnity policies. That means you pay the cost of veterinary care upfront and receive a refund after the claim is processed. To take full advantage of pet health insurance, use a credit card or designate some personal savings for pet care. Replenish your savings or pay your credit card bill with your refund.
High-deductible pet health insurance	<ul style="list-style-type: none"> • Covers many major medical emergencies or serious illnesses. • Generally couples higher deductibles with lower premiums. 		<ul style="list-style-type: none"> • Routine care must be paid out-of-pocket. • May not cover genetic, hereditary or pre-existing conditions. • Chronic conditions may require special coverage. • Requires a waiting period before policy becomes active. 	<ul style="list-style-type: none"> • Same as above.

Is High-Deductible Pet Health Insurance Right for You?

It's easy to decide if high-deductible pet health insurance is a practical option for your pet's veterinary needs.

	Yes	No
Do you have an established saving plan in place, and do you contribute a set amount each month?		
Can you add a portion of your income, designated for pet care, to your saving plan without negatively impacting your lifestyle?		
Can you afford a significant, unexpected charge on your existing credit card(s)?		
Can you qualify for another credit card?		
Do you have enough money set aside today to pay for a veterinary emergency?		

If you answered **No** to any of these questions, some form of high-deductible pet health insurance may work for you.

Choosing a Provider

There are several pet health insurance companies to choose from. Most provide coverage throughout the United States and offer flexible plans. Some even offer discounts for multiple pets.

A provider may offer many different pet health insurance plans or policies. Be sure to ask for those that bear the AAHA Seal of Acceptance. That means they are high-deductible plans that meet several other criteria. (Page 2 outlines some of the criteria.)

As you begin to think about pet health insurance, ask your veterinarian if he or she prefers any particular provider. Also ask your veterinarian which illnesses are most likely to afflict pets like yours. Then contact at least three different pet health insurance providers and research the various policies offered. Be sure to investigate coverage for the illnesses your veterinarian said could affect your pet.

Also be sure to factor co-pay requirements; deductibles; annual, per-incident and/or lifetime caps; policies and caps on pre-existing, genetic and/or hereditary conditions; and age-related premium increases into your decision-making.

This may seem like a lot to consider, but the process of selecting the right provider and the right insurance policy for you and your pet is actually very straightforward.

Use these tips to simplify your decision-making:

DO:

- Research pet health insurance policies before or soon after you obtain a pet.
- Understand when and how you will be reimbursed.
- Know what the policy covers before you enroll. (Does it cover pre-existing conditions? Overall hereditary conditions? Conditions common to your pet's species or breed? How much coverage is provided for these conditions?)
- Get second, third and fourth opinions about the company before you enroll.
- Make sure the providers you consider are licensed to operate in your state.
- Ask if specific conditions common to your pet's species or breed are covered.
- Look for independent websites that include customer reviews of providers and policies.
- Ask if the provider has a fee schedule or reimburses you based on actual fees charged. A fee schedule lists how much the insurer will reimburse you for various services; if your veterinarian charges more than the fee schedule indicates for a particular service or treatment, say, setting a broken bone, you will not be reimbursed for the difference.
- Ask if you can revise your policy before the renewal date and, if so, whether you will be charged for the change.
- Choose a policy that has a deductible and required co-pay you can afford.

DON'T:

- Make a decision solely on advertising.
- Delay selecting a provider until your pet needs medical care.
- Base your purchase decision on cost alone.



Checklist for choosing a pet health insurance provider and policy	Provider 1	Provider 2	Provider 3
QUESTIONS TO ASK ABOUT THE PROVIDER			
How does this provider handle renewals? (Example: If my pet is diagnosed with hip dysplasia one year, is that problem considered a chronic or pre-existing condition when the policy comes up for renewal?)			
Are there any complaints about this provider on record at the Better Business Bureau?			
Does this provider have good ratings at independent websites that review and/or publish customer ratings of pet health insurance companies?			
Are this provider and the person selling the insurance licensed in my state?			
Does this provider offer high-deductible policies?			
Does this provider offer a money-back, trial period for new subscribers?			
Does this provider exclude coverage for pets the same species, breed and age as mine?			
Did this provider respond quickly and thoroughly when I requested more information?			
Will this provider allow me to change or revise my pet's policy before the renewal date without charge?			
Does this provider offer multiple pet discounts?			
Did my veterinarian recommend this provider?			
Will this provider reimburse services provided by my veterinarian, or am I required to use a veterinarian in this provider's network?			
Is the information I received from the provider consistent with what I read on the company's website and in its brochures?			
Will this provider accept my pet for coverage if a different company provided health insurance for my pet in the past?			
Am I comfortable with this provider's complaint process?			
Does this provider have an appeals process I can use if my claim is denied?			
QUESTIONS TO ASK ABOUT THE POLICY			
Do I understand exactly what the policy covers?			
Can I afford the monthly premium, deductible and required co-pay?			
How much coverage does this policy provide for chronic, hereditary or pre-existing conditions?			
Does this policy cover preventive care, and does that coverage justify a higher premium?			
Are there certain types of accidents or health problems that aren't covered?			
How are claims submitted? How long do I have to submit a claim. Will my costs change based on the number of claims I submit?			
How long does it take, on average, to be reimbursed?			
Does this policy use a list of "usual and customary fees" to determine how much I will be reimbursed? Is that list up-to-date? Are the fees consistent with what my veterinarian expects to charge?			
Is there any penalty if I cancel my policy?			

High-deductible pet health insurance can make all the difference in your pet's long, healthy and happy life. Look for a plan that bears the AAHA Seal of Acceptance.

Begin today — so you and your pet can enjoy many happy years together!



