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Consumer Alert

What Is Pet Insurance?

Pet insurance is not health insurance for your pet, although at times, it sure sounds like it is. While most of us consider our pets members of our families, legally they are personal property. That is why pet insurance is considered a type of property and casualty insurance, like automobile and homeowners policies, as opposed to a health insurance policy. Like your auto or homeowners insurance policy, most pet insurance policies have a deductible, which is an amount you must pay before the insurance company pays anything under the policy. Typically, pet insurance policies require you to pay the vet for the service and then submit the bill to the insurance company for reimbursement.¹ Review your policy to determine if there are limitations or restrictions regarding the amount you will be reimbursed. For example, some policies only pay for "the reasonable cost" of medically necessary treatment, which may be less than what you paid for the treatment.

Previously, many pet insurance policies did not cover routine services, such as vaccinations or elective services, such as spaying or neutering. Because the policies insured personal property, they tended to only cover "accidental occurrences or injuries."² Recently, some insurers have issued policies that provide coverage for routine procedures. This is called comprehensive coverage. You will need to read the

¹ Some pet insurance policies will require you to use a specific network of vets.

² There are three types of pet insurance coverage: accident only, accident and illness or accident, illness and wellness.

terms of the policy or speak with a company representative to determine what type of coverage the policy you select or are considering purchasing provides. The cost of the pet insurance policy will vary depending on the coverage it provides. A comprehensive policy will cost more than an accidental injury policy, as it covers more types of care your pet receives.

The policy may provide for a cap or dollar limit on the amount the insurance company will pay on a claim. This may apply to both emergency and sick visits, as well as preventive or routine care. Some policies cap the reimbursement amount for extensive surgeries or after your pet reaches a certain age. Companies often limit or even exclude coverage for pre-existing conditions.³ Upon renewal, the company may deny further coverage for conditions previously treated under the policy. Some common coverage exclusions are dental care not associated with an accident or injury, treatment of behavioral problems and breed specific problems, such as hip dysplasia or cataracts. Cosmetic surgery like declawing and tail docking are also typically not covered. Different companies and policies have different provisions. You should be certain that you understand exactly what you are purchasing and what your policy covers and what it excludes.

The premium for coverage will vary depending on the insurer, type of pet (dog, cat, etc.), breed of pet, the level of coverage and policy deductible selected. If your pet suffers a serious injury or illness, the policy can quickly pay for itself.

You can shop for quotes and view coverage provided under the various policies by visiting each company's website. You may contact the Maryland Insurance Administration at 410-468-2000 or 1-800-492-6116 for further information, including whether insurance companies and producers are licensed to sell policies in the state or visit our website at www.insurance.maryland.gov.

³ A vet may have to examine your pet to certify its health before it can be insured.