



Illinois Insurance Facts

Illinois Department of Insurance

Pet Health Insurance

August 2010

Note: This information was developed to provide consumers with general information and guidance about insurance coverages and laws. It is not intended to provide a formal, definitive description or interpretation of Department policy. For specific Department policy on any issue, regulated entities (insurance industry) and interested parties should contact the Department.

Pet health insurance typically protects you from financial losses when your pet gets into an accident or becomes ill. As with other types of insurance, there is no guarantee that buying pet health insurance will save you money, and it is possible that you will pay more in premiums than you receive in benefits. Before selecting an insurer or policy you should research various policies and select the one that best suits your needs and fits your budget.

How does pet health insurance work?

Pet health insurance operates similarly to how your health insurance plan may work. Your plan may have deductibles, annual or lifetime limits, and there may be caps on coverage for specific types of illness or accidents.

The most notable difference between human health and pet health insurance policies is the method of reimbursement. When your pet is injured or ill, it is your responsibility to pay the veterinarian bill. You then submit a claim to your insurance company, who reimburses you for some or all of your expenses.

Can I stay with my veterinarian?

Yes. Most pet health insurance providers permit you to visit any licensed veterinarian, including general, specialist, and emergency veterinarians.

Choosing a Pet Health Insurance Policy

Types of Pet Health Insurance

Pet health insurance policies are typically offered in the following three categories:

- **Dog insurance**
- **Cat insurance**
- **Bird and exotic pet insurance**

Insurers may also offer insurance plans that are specialized to the breed, age, or indoor/outdoor nature of your pet.

Basic Elements of a Pet Health Insurance Contract

Pet health insurance contracts vary widely from provider to provider, and providers typically offer several options. It is important to shop for pet insurance based on the coverage provided, rather than simply looking for the lowest price.

Typical elements of a pet health insurance contract include:

For more information, call the Department of Insurance Consumer Services Section toll-free at (866) 445-5364

Covered Benefits

It is important that you read the plan carefully to determine what is and is not covered. Policies may include coverage for one or more of the following:

1. Accident coverage

This is the most basic type of pet health insurance. It reimburses you for unexpected accidents and injuries to your pet. This type of coverage typically covers any diagnostics, hospitalizations, lab fees, medications, surgeries and other treatments related to accidents. Covered accidents may include:

- Foreign body ingestion
- Motor vehicle accident
- Poison ingestion
- Lacerations
- Burns
- Bone Fractures
- Allergic Reactions
- Bite Wounds
- Stings
- Sprains

2. Illness coverage

Pet owners may also want to insure their pets for illnesses. Policies may include coverage for diagnostic procedures, treatment, prescription medication, lab tests, x-rays, surgery and hospitalization for the following illness categories:

- Digestive system
- Nervous system
- Eyes
- Ears
- Infectious diseases
- Cancer

3. Routine Wellness and Preventative Care Coverage

This is an option for pet owners who want more comprehensive insurance coverage, and may or may not be offered by a carrier. A plan with this coverage will insure everyday vet expenses, and may include some of the following benefits:

- Routine Screenings
- Veterinarian Exams
- Behavioral training
- Heartworm prevention
- Prescription flea control
- Spay/neuter
- Teeth cleaning
- Vaccinations
- Preventative Care

4. Additional Benefits

Certain plans may offer additional benefits unrelated to the above categories, such as:

- Advertising and Reward Reimbursement

- Boarding / Kennel Fees
- Loss by theft or straying
- Burial or Cremation

Premium

Premiums may be paid on a monthly or annual basis, depending on the provider. The cost of your premium may vary by the age or breed of your pet.

Maximum Limits or Caps

Policies may have one or all of the following limits:

- **Maximum Incident Benefit/Cap:** This is the most you can be reimbursed for one incident.
- **Maximum Annual Benefit/Cap:** This is the most you can be reimbursed in a year.
- **Maximum Benefit/Cap or Lifetime Limit:** This is the total amount you can be reimbursed over the lifetime of your pet.

Deductible

This is the amount you are responsible for before you will be reimbursed for covered services. Deductibles may be annual or per incident.

Reimbursement (Co-insurance)

Providers will either reimburse a percentage of your costs (typically between 60-100%) or use a benefit schedule.

Companies reimbursing by percentage will reimburse you based on usual and customary costs. These are costs that are covered by the plan and considered reasonable in areas similar to yours. For example, a vet may charge you \$200 for a service. However, the cost that is considered reasonable for that service in a similar area is only \$150. The plan will therefore reimburse you for a percentage of the usual and customary cost of \$150 for that service.

Companies reimbursing on a benefit schedule will reimburse you a set amount regardless of cost to you. The company will provide you with information on what conditions and procedures are eligible for coverage, and the amount available for reimbursement for each.

Exclusions

Pet health insurance policies typically exclude coverage for various services or conditions. Remember to carefully read the policy's coverage details and exclusions to make sure you are getting a policy that fits your needs. Listed below are typical exclusions from pet health insurance policies. This list is not comprehensive.

- **Pre-existing conditions.** Pre-existing conditions are injuries or illnesses that occur before coverage begins. Ask about pre-existing conditions and review the policy to see if they are covered. Pre-existing conditions will either be excluded permanently or temporarily from coverage. Look to see if your pet's condition is considered curable (stable or controlled pre-existing conditions) or incurable (terminal pre-existing conditions). For pre-existing conditions considered curable, the company may choose to enforce a waiting period before coverage kicks in. Conditions considered incurable such as diabetes or cancer may be excluded entirely or may be covered on a limited basis. A company may also provide coverage for temporary conditions that are proven to have been cured and treatment-free for at least six months.

You should also check to see if hereditary and congenital conditions are considered pre-existing conditions under your policy.

For more information, call the Department of Insurance Consumer Services Section toll-free at (866) 445-5364

- **Genetic or hereditary conditions.** Most pet insurance companies consider genetic conditions to be pre-existing and do not cover them. Genetic or hereditary conditions are disorders or diseases that are inherited or to which your pet is predisposed.
- **Elective procedures/cosmetic surgeries.** Policies typically do not cover elective (non-medically necessary) procedures and cosmetic surgeries (such as tail docking, ear cropping, and dew claw removal). However, cosmetic surgeries will be covered if they are medically necessary.

Waiting Periods

Make sure you understand when coverage under the policy begins. All pet insurance plans have a waiting period or an amount of time you have to wait before a certain type of coverage starts. There is usually one waiting period for accidents and a separate one for illnesses. These waiting periods typically range from 2-14 days for accidents and 14-30 days for illnesses.

Helpful Tips When Shopping for Pet Health Insurance

Begin by considering if you need pet health insurance. Add up the costs of the policy for the expected life of your animal. Take into consideration how much you could afford to pay for emergency treatment or a long illness.

Shop around, comparing the policy benefits, deductibles, limits and exclusions. It is a good idea to obtain more than one estimate or quote. Pet insurance quotes are easily obtained online on provider websites.

Keep in mind the following options when selecting a policy. These options may significantly affect the quality and price of the coverage that you receive.

- **Continuous Coverage of Ongoing Conditions.** Find out whether your insurance provider offers continuous coverage for ongoing. Ongoing conditions are injuries or illnesses that occur in one plan period which require continued treatment after your plan renews (in other words, conditions that last more than 12 months). Allergies and osteoarthritis are examples of ongoing conditions.

Some companies consider conditions treated during a previous policy term to be pre-existing (even if you are staying with the same plan), and therefore will not cover these conditions or will charge a significantly higher premium to cover them. Check to see if your insurance provider offers continuous coverage options to avoid this type of situation.

- **Age Limits.** Most policies require that pets be at least 8 weeks old to enroll. When pets get older, they may no longer be eligible for coverage, or may be required to go on “senior” plans.
- **Discounts.** Many pet insurance providers offer discounts. Be sure to ask about any available discounts. Some common discounts include multi-pet discounts (for multiple pet households), micro-chipping discounts and group benefit discounts.

Questions to ask the insurance agent or company

- Can I choose any vet?
- What is and is not covered? Remember the four general categories of coverage (accident, illness, wellness, and additional benefits).
- Is there a per-incident limit for accidents or illnesses?
- Are there annual or lifetime limits?
- Will I be reimbursed by a certain percentage amount or according to a benefit schedule?
- Is there a waiting period before coverage becomes effective?
- If my pet has a pre-existing condition or chronic condition, how is that covered or excluded?
- Does the policy have continuous coverage for long-term conditions?
- How long do you take to pay claims?

Tips on making a claim

Reimbursement methods for pet health insurance differ from human health insurance. The general process goes as follows:

1. Pay your veterinarian for any treatment your pet has received.
2. Get a claim form from your pet insurance provider. These are usually available online, or can be easily requested by phone.
3. Complete your claim form. You may need to ask your veterinarian to complete a portion of the form.
4. Send in your form along with all required documentation. This may include your original invoice for the treatment and any required supporting documentation.
5. Receive your reimbursement.

Make sure you read your policy carefully for any rules that your insurance provider may have for submitting claims. For example, your provider may only accept claim forms six months from the date of treatment.

For More Information

Call our Consumer Services Section at (312) 814-2427 or our Office of Consumer Assistance Hotline Toll Free at (866) 445-5364 or visit us on our website at <http://insurance.illinois.gov>