



Facts about pet insurance

A guide to policies that protect your petsâ€™ and your finances

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Like any other member of your family, your pet is subject to illness or injury, and you're liable for any damage he or she does. Luckily, there are a number of different insurance products that will help protect you

and your family from the financial cost of a pet emergency.

Pet health insurance

If you have a dog, cat or other pet, you probably visit the veterinarian regularly. As veterinary medicine becomes more advanced, the cost of care has increased significantly in recent years, making pet insurance an increasingly important financial planning tool for pet owners.

Pet health insurance works similarly to human health insurance policies, in that they both include annual premiums, deductibles, co-pays, and caps.

Health insurance is available for all types of pets, including dogs, cats, rabbits, ferrets, exotic birds, reptiles, potbelly pigs and various rodents.

Cost of coverage is typically based on the animal's age, health profile and the level of care you choose. Generally, older animals cost more to cover and some companies have age limits. Also there may be exclusions for pre-existing conditions, and some insurers may not cover certain breeds that are prone to hereditary conditions (e.g. hip dysplasia). Some policies feature shorter waiting periods and innovative pre-existing condition coverage after 12 months, as well as optional add-on policies (like Inherited and Congenital coverage).

Types of coverage:

1. **Basic coverage** is the least expensive option. Basic coverage provides the lowest reimbursements for procedures, and will help pay for accidental injuries, poisonings and illnesses (including cancer). These policies typically include an annual deductible, caps on reimbursements per accident or illness, as well as caps on total reimbursements per policy term. Unlike most human health insurance, pet insurance typically operates on a reimbursement basis. Pet owners usually pay the veterinarian upfront and then submit a claim to be reimbursed for covered expenses. Some insurers now offer direct pay to certain veterinary networks as an emerging option. Many pet insurers now offer customizable plans, allowing owners to select their annual coverage limits, deductible amounts, and reimbursement percentages to better control premium costs.
2. **Comprehensive coverage** is costlier than basic coverage, but offers more generous benefits, such as reimbursements for accidental injuries, emergencies and illnesses, and coverage for office visits, prescriptions, diagnostic tests, X-rays and lab fees. These policies feature lower annual deductibles than those for basic coverage, but also cap reimbursements per accident and illness, as well as on total reimbursements for the policy term.
3. **Pet well care protection** reimburses for preventive care, including physical exams, flea and heartworm prevention and vaccinations. While there is no deductible for well care, there is a nominal deductible for other medical services.
4. **Coverage for dental, behavioral, and alternative therapies.** Some comprehensive pet insurance policies now cover dental disease, behavioral therapy, and alternative or complementary treatments such as acupuncture, chiropractic care, and physical rehabilitation, though coverage limits and conditions vary by insurer.
5. **Telehealth and virtual vet services.** Many policies now include access to telehealth or virtual veterinary services, allowing pet owners to consult with licensed veterinarians remotely for non-emergency concerns.

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Some insurers are now offering group coverage through employers as a voluntary benefit, which can be less expensive than buying individually, may include optional employer contributions, and typically features

easier enrollment, fewer waiting periods, and more favorable terms.

While shopping for pet insurance, you may come across veterinary discount plans, which are membership-based services rather than an insurance policy. With a veterinary discount plan, the member pays a monthly fee and is then entitled to reduced rates on pet services, medical procedures, prescriptions, and products from a specific group of veterinarians who also agree to participate in the plan.

Note that, in the event of a catastrophic and costly pet illness or injury, a discount may be useful, but you will likely still be out of pocket for much more than if your pet is insured. Also, unlike pet insurance, veterinary discount plans are not regulated by state insurance departments.

Life and theft insurance

Life and theft coverage is designed to insure the lives of highly valuable animals. It is typically purchased by zoos or by the owners of championship cats, dogs, horses and police dogs. The policy reimburses owners of stolen animals, and pays a death benefit if an animal dies during transport or other covered events.

General insurance protections

Your current homeowners insurance policy may offer some protections that encompass pets. For example:

- **Liability** – If your dog bites someone and causes an injury, and you are sued, your homeowners or renters insurance policies provide liability protection to defend you in court.

Be aware that most policies will exclude any dog with a history of biting and aggressive behavior. In addition, many homeowner associations restrict some breeds that are typically thought to be dangerous and a growing number of communities require owners of these dog breeds to carry additional liability coverage.

- **Personal property** – Some owners tend to spend a lot of money accessorizing their pets and these items are covered under the personal property section of standard homeowners and renters policies. So if Fido's favorite cashmere dog coat is stolen or damaged, you're covered!

As coverage options expand and veterinary costs rise, pet insurance has evolved into a more flexible and comprehensive product, making it important for pet owners to compare policies carefully and understand how coverage, reimbursement, and exclusions work.

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