

# CONSUMER GUIDE: PET INSURANCE



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# Introduction

With unexpected vet treatment often costing hundreds of pounds, it is not surprising that some pet owners can struggle to afford unplanned medical care for their pets. Pet insurance can protect you against the unexpected costs that arise when your pet needs treatment, and can help your pet live a longer, healthier life.

It is important to buy pet insurance as soon as you get a new pet because you won't be able to find insurance to cover the cost of treating an injury once it's happened, and most policies won't cover the cost of treating pre-existing medical conditions.





# What Pet Insurance can cover

Take care to choose the pet insurance policy that best suits your needs now and in the future. Most new policies won't cover the cost of treating pre-existing medical conditions that your pet has, so choosing the most suitable insurance from the start helps ensure your pet will be covered.

Pet insurance policies will generally specify a maximum amount of money that they will pay out under each policy section.

## Policies can include cover for:

- **Veterinary fees** for the cost of diagnosing and treating illnesses and/or injuries. This normally includes the cost of consultations, examinations, tests, x-rays, MRI scans, medication, bandages, surgery, and hospitalisation. Also often included are alternative therapies like acupuncture, homeopathy and herbal remedies and complementary treatments such as physiotherapy, osteopathy, chiropractic and hydrotherapy.
- **Third party liability**, if your pet injures someone or damages someone else's property and you are legally responsible.
- **The purchase price** of your pet if it is lost, stolen, or dies as a result of an injury or an illness before a specified age. Some insurance policies require payment of the full annual premium even if your pet dies part way through the year and you make a claim. If paid monthly, any unpaid instalments are deducted from the claim settlement.
- **Advertising costs** to help find your lost or stolen pet and the cost of a reward if someone finds or recovers your pet.
- **Hospitalisation** to cover the cost of looking after your pet if you have to go into hospital for emergency medical treatment.
- **Holiday cancellation** for the cost of your holiday if it is cancelled because your pet needs emergency surgery close to the start of your holiday.
- **Overseas vet fees** to pay for emergency veterinary treatment for your pet if you take it abroad under the Pet Travel Scheme.



**Most pet insurance policies are yearly contracts and to obtain the full amount of cover, you may have to renew your policy each year.**

The cover for veterinary fees is usually restricted to treatment received while the insurance is in force and there is not always a guarantee that the insurance provider will offer to renew your insurance.

We recommend that customers always check their Terms and Conditions as policies can differ from provider to provider.

# Common exclusions



You should always read your policy's Terms & Conditions carefully to make sure that you have the cover you need.

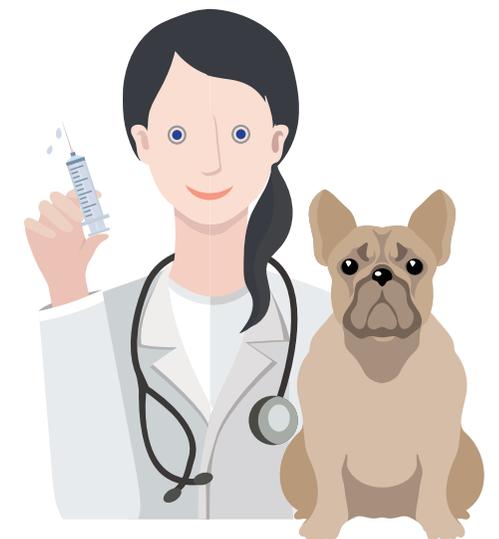
**Some of the most common things pet insurance does not cover are:**

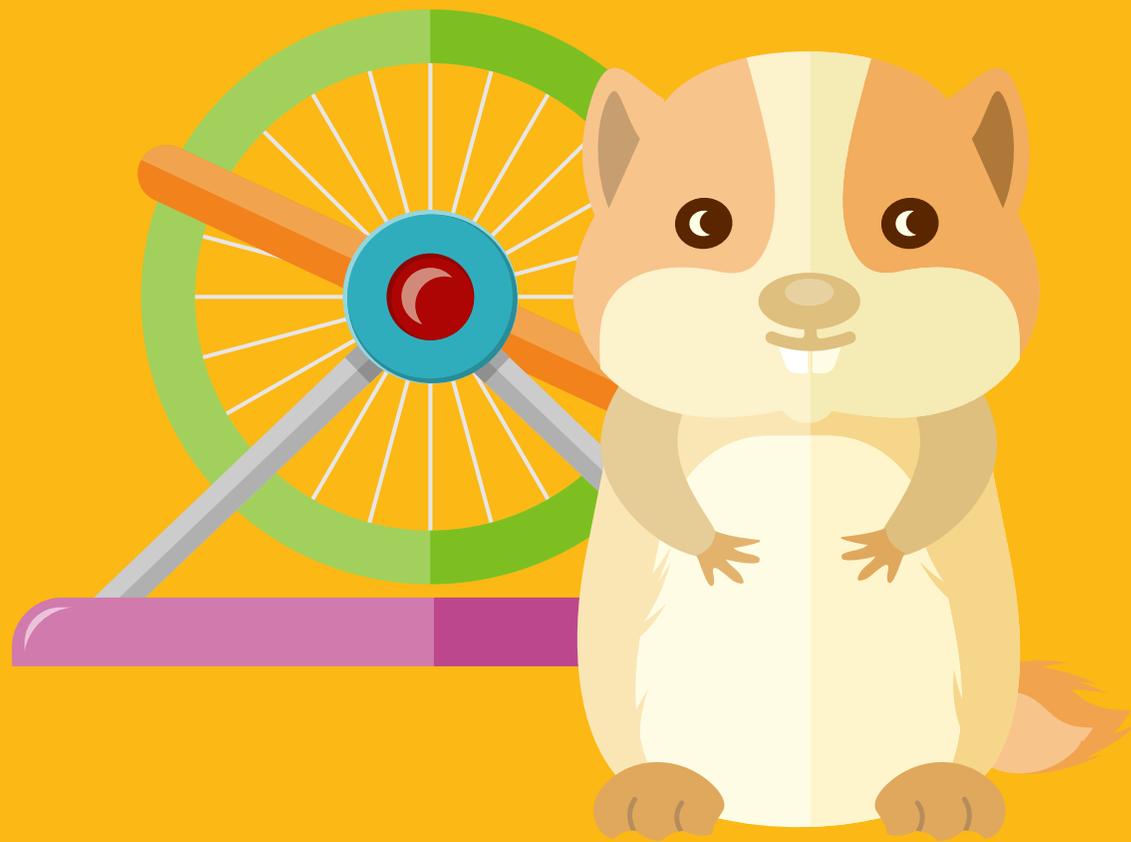
- **Pre-existing illness or injury** - Anything that relates in any way to something your pet had or showed signs of having before the policy started. This usually includes illnesses and injuries that can happen again, or may appear in different parts of your pet's body. For example, if your pet had an ear infection before you took out your current policy, your insurance will probably not cover the cost of treatment for any future infections in either ear, regardless of whether or not you made a claim under an old policy.
- **Waiting period** - A period at the start of the policy when veterinary treatment is not covered, typically the first 14 days. Insurance starts for illnesses that first show signs or happen after this time. Some policies have a similar period, or less, for injuries.
- **Routine and preventative treatment** - Vaccinations, spaying, castration, flea, worm and tick treatments, grooming, claw clipping and teeth maintenance. Any costs arising from these treatments may also not be covered.
- **Pregnancy and giving birth** - Anything to do with pregnancy, giving birth and treatment of any offspring is not usually covered.

## COMMON CLAIMS

Some of the most common claims made are for:

- Skin problems
- Wounds
- Arthritis
- Muscular skeletal issues
- Gastro intestinal issues
- Tumours





# Types of Pet Insurance policy

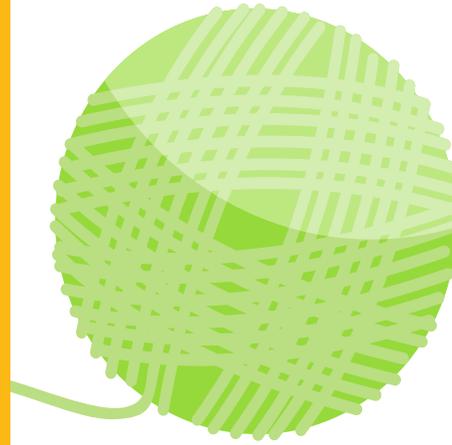
There are a wide range of different pet insurance policies on the market, catering for different needs. Policies can differ, so it is important to ensure you check and understand what your policy covers.

## LIFETIME POLICIES

(ALSO KNOWN AS LIFELONG, COVER FOR LIFE, REINSTATEMENT, REPOPULATING OR RENEWABLE BENEFIT POLICIES)

### What do they cover?

- Lifetime policies insure your pet for new medical illnesses and injuries. This means that any illness or injury they had before the policy will not be covered.
- Your pet is covered up to a set amount each year for as long as the insurance policy remains in force. If the overall limit is reached during the policy year, your pet will not be covered for any further treatment required during that year. Each time you renew your policy the full amount of money becomes available again.
- Some lifetime policies will also specify a set amount to be paid for each illness/injury during the year. If the limit for a specific illness/injury is reached in the policy year, no further claims for this treatment will be paid that year.
- The policy needs to be renewed to ensure your pet is covered for new treatment for illnesses and injuries in the following policy period (usually a year). This means a long-term or recurring illness or injury that has needed treatment in one year will be covered again by the policy the next year. There is no limit to how many times the illness or injury can be covered in this way, as long as the insurance policy is in force.

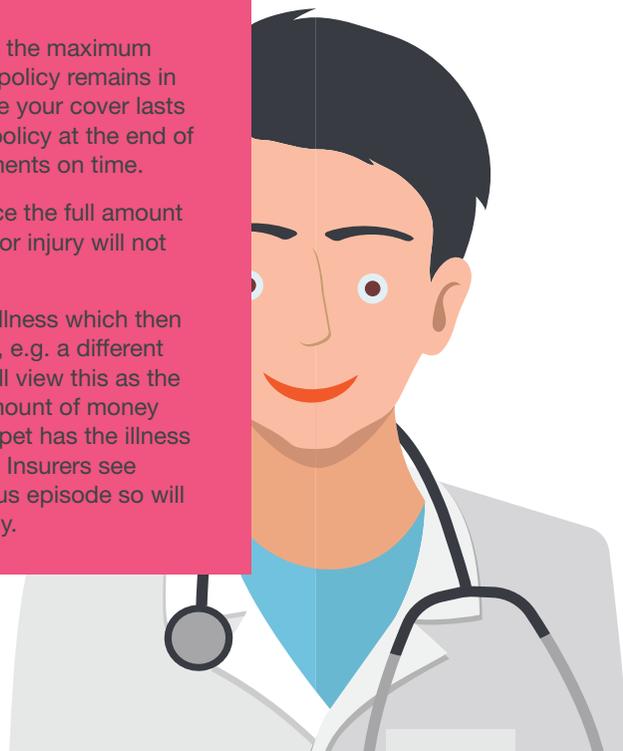


## MAXIMUM BENEFIT POLICIES

(ALSO KNOWN AS MONEY LIMITED POLICIES OR PER CONDITION POLICIES)

### What do they cover?

- Maximum benefit policies provide a fixed amount of money for each illness or injury to help pay for your pet's treatment for as long as the money lasts.
- Your pet is covered for each illness and injury until the maximum amount has been spent, as long as the insurance policy remains in force and payments are kept up-to-date. To ensure your cover lasts for as long as money lasts, you must renew your policy at the end of each policy period (usually a year) and make payments on time.
- There is no time limit on reaching the amount. Once the full amount of money has been spent, the treatment of illness or injury will not be covered again.
- If your pet has received treatment for a particular illness which then appears in another part of the body at a later date, e.g. a different leg, ear or eye, many maximum benefit policies will view this as the same condition. This means that the maximum amount of money will only be available once, not for each time your pet has the illness or injury, even if that is in another part of the body. Insurers see these as recurring conditions related to the previous episode so will treat as one condition, for the duration of the policy.



## TIME-LIMITED POLICIES

(TYPICALLY 12 MONTHS)

### What do they cover?

- There are two parts to these types of policies
  1. A fixed sum to cover your pet for the treatment of each illness or injury, and
  2. A set time period for which treatment of each illness or injury will be covered. Policies will typically cover the cost of treating your pet for a particular illness or injury for 12 months from the start of that illness or injury (as long as the policy remains in force). The time-limit does not relate to the duration of the policy, but to the maximum amount of time an illness or injury is covered for.
- When the set period has ended, or the fixed sum of money for a particular illness or injury has been reached – whichever comes first – your pet will not be covered for that particular illness or injury for the rest of the policy duration.
- Many time-limited policies apply the limits to all occurrences of an illness or injury. For example, if the same illness happens in the other leg, eye or ear and the 12 month period for the first episode of the illness has ended or the sum of money available been used, your pet will not be covered for this further episode. Insurers see these as recurring conditions related to the previous episode so will treat as one condition, for the duration of the policy.



Pet insurers paid out **£602 million** in claims in 2014 – the equivalent of **£1.65 million** a day. This was an increase of nearly 15% on the previous year

The average cost of a claim has risen 7% to **£679**.

## ACCIDENT ONLY POLICIES

### What do they cover?

- Accident only policies provide a fixed sum for each accidental injury to help pay for your pet's treatment.
- Accident only policies may also include an amount towards the cost of emergency treatment for an illness.
- Some accident policies will have a 12 month time limit. This will cover treatment by a vet for 12 months from the date vet treatment starts per condition.
- If cover is limited to a 12 month treatment period, or your pet's treatment will continue past your renewal date, you must renew your policy at the end of the policy period and keep your payments up-to-date to ensure your pet remains covered for future accidents that may require treatment.





What else  
should I know?

## EXCESS

Most veterinary fees and third party liability policy sections have an amount of money you pay towards the cost of the claim, called the excess.

Excesses on veterinary fees can vary considerably so it is important to check how much these are and how they are applied. Usually excesses apply to the cost of treatment of each illness or injury, some apply once and others apply to the treatment received each year.



## CO-INSURANCE

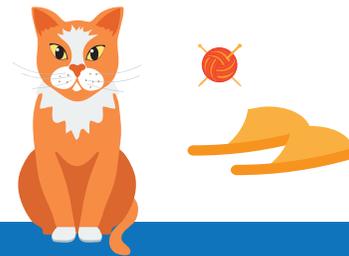
Policy terms may change as pets get older, for example vet fee excess may increase or you may have to pay a percentage towards a claim, in addition to the fixed excess. The percentage amount is often called a 'co-insurance' excess. The percentage of co-insurance can vary from policy to policy, but is typically 10% or 20%.

## THE COST OF INSURANCE

The cost of pet insurance, called the premium, depends on the type of policy you chose, where you live, the breed of your pet, if it is male or female, and age. The amount vets charge for treatment can also impact premiums. Generally in towns and cities vets' charges can be higher than in rural areas and premiums reflect this. Claims costs have risen in recent years due to the advancement, complexity and increased number of treatments available to owners with pet insurance.

## AGE

Age can be a significant factor in the price of a pet insurance policy. As Pets get older the premium may increase because, like humans, there is more risk they will be ill. Most insurance providers will not offer insurance to pets less than eight weeks old. As a pet gets older, pet insurance may be more difficult to find as some companies will not offer new insurance above a certain age. If you take out insurance when your pet is young the insurance policy can usually continue with the same provider as your pet gets older.



## BREEDS

The insurance for pedigree pets can be more expensive than crossbreeds. This is based on claims experience, with crossbreeds usually less likely to suffer from the inherited medical conditions that individual pedigree breeds can experience. For dogs, the breed will also affect the size of the pet, which may have an impact on cost of vet fees.



## REMEMBER:

- Shop around to find the insurance that best meets your needs; look at what your pet is covered for, not just the price alone.
- Be aware that while moving to a new policy may be cheaper, it is likely the new policy will not cover your pet for any conditions your pet has had in the past or currently has.
- Some insurers will only accept claims after a certain number of days from the start date of the policy (an 'exclusion period') – usually ten days.
- The policy documents from insurers will tell you what your pet is and is not covered for. If in doubt, speak to your insurer.
- Always answer the insurer's questions honestly and in full. If you don't, the insurer may not pay your claim and your policy may be cancelled.
- Remember to tell your insurer about any relevant changes to your circumstance to ensure your pet remains covered. For example, any change of address or if your pet gets neutered, spayed or micro-chipped.



Owners of a dog with diabetes made claims of over **£1200** over a 2 ½ year period.



A tortoise treated for a digestive disorder at a cost of over **£560**.



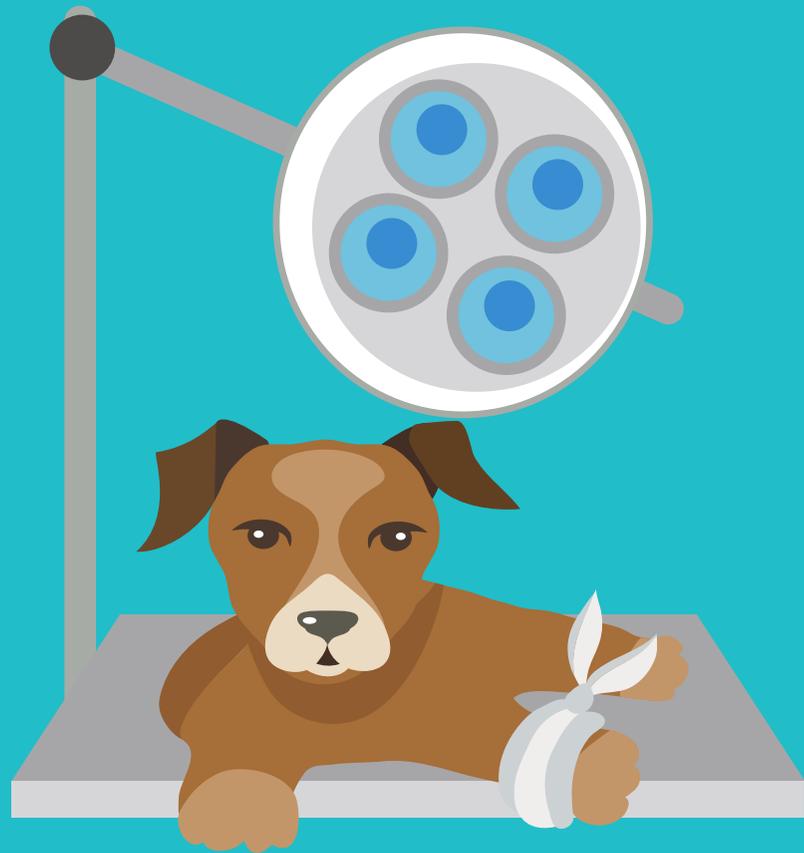
The owners of a dog diagnosed with epilepsy made claims totalling over **£3300** over 4 years.



A kitten that needed to have its stomach pumped and was treated with antibiotics. The total bill was around **£600**.



Helping out a cockatiel which was having trouble flying properly cost nearly **£500**.



## Making a claim

If you take out a pet insurance policy and need to make a claim, the insurer will require certain information from you and your vet. The claims process may differ between insurers, so it's important to read your policy so you are aware of how to make a claim. However, typical requirements include:

- When registering a claim, you may be asked questions by the insurer such as what the claim is for; or what the illness/injury is; when they first noticed the pet became unwell; which vet they have attended and the first date of any treatment.
- Most insurers will want to see the pet's medical history and a vet invoice as part of any medical claim.
- If more than one vet is involved (for example if the pet is referred to a specialist or required emergency out of hours treatment), insurers will normally require information from all vets involved.
- Most insurers are happy to deal directly with vets, however it is the responsibility of the policyholder to make sure the insurer receives all the necessary information to pay a claim.
- Where a claim is paid, payment can be made directly from the insurer to the vet if authorised by the policyholder. However, not all vets will accept direct payment from insurers, some may prefer payment from the customer. This is the vet's choice and not something insurers or customers can decide.



# About the ABI

The Association of British Insurers is the leading trade association for insurers and providers of long term savings. Our 250 members include most household names and specialist providers who contribute £12bn in taxes and manage investments of £1.9trillion.



Association of British Insurers

**For more information**

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