

Ensured Insurance

Neda Othman

Sophia* looked around anxiously in the direction her black and white Australian Shepherd, Router, had come from, while he now panted beside her. She called again, louder, for Cisco, her other Aussie, a beautiful blue merle. They had been hiking on a hilly trail among oaks, eucalyptus, and grazing cattle, typical of East Bay regional parks, when the dogs ran off and she heard a yelp in the distance. Just as she was about to call out again, furry white and blue merle patches appeared in the grass as Cisco walked slowly towards her. That was strange, she thought—Router and Cisco were both energetic young shepherds that usually came running with excitement when called.

When he finally arrived, nothing immediately seemed to be amiss. Noting the setting sun, she gave him a quick once-over, and they hiked at Cisco's newfound slow pace back to the car. Despite his resistance to run, he didn't limp and he even jumped into the backseat.

At home she gave him a more thorough look, rolling him onto his side to find bright pink intestines peeking out of a hole in his abdomen by his groin; the gaping wound had been hidden by his hind leg and long fur when standing. Near the hole was a dark, bruised imprint of a cow's hoof. The organs clashed fiercely with the pure white fur of his belly, and though it was surprisingly not bloody, it was obvious that a cow had kicked through Cisco's peritoneum, or sac that contains the abdominal organs. "By that time, it was almost ten o'clock," she says. "We took him straight to [the emergency vet in] Berkeley."

Accidents happen. Injuries and illnesses happen, and like human medical care, veterinary medical care is expensive. 49% of veterinarians report that their clients complain about the cost of care, while 26% of owners contend that they were surprised by the bill, usually opt for the less expensive option, if available, and would prefer less expensive veterinary care.⁴ Pet insurance seems to be a perfect solution—Trupanion, one of the leading pet insurance agencies, found that "the mean annual revenue for veterinary practices increased from \$437 per uninsured pet to \$837 per Trupanion-insured pet, while mean annual visits increased from 2.4 for uninsured pets to 4.4 for Trupanion-insured pets[.]" showing that insured pets tend to be taken to the veterinarian more often, and that veterinarians in turn benefit from the increased visits. However, in 2013 only 2% of Americans actually held pet insurance policies² even though pet insurance was introduced to the United States in 1982.

One of the minority of Americans making up that group, Sophia recalls the first time she considered getting insurance for her pets. "I think we had [pet insurance] almost immediately after we got [Router and Cisco]," she explains,

"[my husband and I] were...trying to be good pet parents." As newly married computer programming instructors, Sophia and Ray had fondly named their first pets as husband and wife along a computer theme—Router, or "Rou", as he was affectionately called, after a device that facilitates data delivery between networks; and Cisco, after a leading manufacturer of networking devices such as routers. Now, as Cisco's "wires" were spilling out of his body, Sophia was glad that she had had her "kids" insured. "Without the insurance," she says, "it would have been many thousands of dollars over what we paid."

Pet insurance seems like a win all around—for the pet, for the owner, and for the veterinarian. But two veterinarians I spoke with each had vindictively strong and opposing opinions about pet insurance, with Dr. Gillespie**, veterinarian and medical director of a feral cat trap-neuter-return organization saying "I love pet insurance! I recommend [it] to anyone!" and Dr. Patterson*, veterinarian and owner of a small animal practice, saying flat out that she hates it. Dr. Patterson explains that while most of her clients do not have their pet insured, the ones that do often run into disallowed claims, which is when an insurance company denies coverage of a certain procedure or condition and therefore refuses to reimburse for it. Contrary to popular belief, pet insurance does not work exactly like human health insurance; it is actually a form of property insurance. In fact, pet insurance agencies are often underwritten by larger property insurance companies. Veterinary Pet Insurance, for example, the first pet insurance agency in the United States, is underwritten by Nationwide, a leading vehicle, home, and business insurer. Unlike human health insurance, where medical practices accept certain health insurance companies and apply the discount at the time of payment, a pet owner pays full price up to the veterinary clinic. The veterinarian writes the diagnosis and procedures performed on a claim form, and the client presents it to their insurance company to be reimbursed for a percentage of the cost. Other than filling out part of the form and perhaps faxing it to the insurance company on behalf of the client, veterinary clinics are usually unassociated with pet insurance companies. Disallowed claims means owners may pay hundreds or thousands of dollars only to find out they actually weren't covered, and are left in an uncomfortable financial bind.

I mentioned the occurrence of disallowed claims to Sophia. "But you can call to find out beforehand," she counters. "I've done that...to find out if it [a tooth surgery was] going to be covered... and to know how much. I wanted to have the money to actually pay for it [up front] and know when I would be getting my reimbursement," noting how the

*Sophia gave permission to use her and her pets' real names.

**Veterinarians' names have been changed for privacy.

structure of pet insurance calls for budgeting on the part of the client. She shrugs, continuing to say that she has only ever been disallowed one claim (money she spent on the veterinary diagnosis of Cisco's bloody urine, which turned out to be a benign genetic disorder, which wasn't covered by her policy) over the fifteen years she's had her Aussies, until each of their passings in the past few years. More importantly, she notes, the reimbursements she received for veterinary procedures essentially paid for the cost of the insurance. "Especially Cisco", she laughs, "he was kind of our expensive dog that kept getting medical things that were emergent, but not [terminal]...I called them his 'flat tires'. So when he got a flat tire we were able to take him in to get fixed!"

In the heat of an emergency, however, and with the unavoidable emotional component in getting healthcare for loved ones, it is easy to just assume one's insurance will do what it was purchased for. Or, sometimes owners simply do not understand their policy's coverage—whether the misunderstanding is on the part of the client or if the insurance company purposefully worded the policy for vagueness, the end result is the same. The California Department of Insurance has "received numerous complaints from pet owners who realized too late that a procedure isn't covered".⁶ The increasing rate of occurrence of disallowed claims in the industry has led to the recent enactment of a new California state law, Assembly Bill 2056, which may help more people have the overall positive experience with pet health insurance that Sophia has had.

Passed on July 1, 2015, Assembly Bill 2056 lawfully imposes new regulations on pet insurance companies to make policies fairer to the buyer. Essentially, it ensures that pet insurance policies are written clearly. "Under the new law, pet insurers [are] required to disclose reimbursement policies and offer a free 30-day review period. The industry must...define pre-existing conditions and disclose annual and lifetime policy limits".⁶ It also applies a monetary fine for pet insurance companies that willfully violate the bill, and formally defines other terms that may be used in policies, such as "veterinary expenses", "hereditary disorder" and "chronic condition".³

With the enactment of Assembly Bill 2056, pet owners can feel more confident about buying pet insurance. Sophia pauses, trying to sum up what pet insurance has meant to her over the past fifteen years. "What you're doing, really, is buying peace of mind," she says quietly, "it's a heart thing. You're buying [it] so that you won't have to make a wrenching decision between money and the dog."

To charge fees for their medical services is an unfortunate point of conflict in the life of a veterinarian. Making money doing what they are incredibly passionate and compassionate about can be both a blessing and a deep heartbreak, and perhaps the worst of the conflict is economic euthanasia. Despite a positive prognosis, owners sometimes elect to put their pet down instead because they can't afford to pay for the management or cure. Dr. Bob Hale Briarwood, a veterinarian in Arkansas, publicly supports pet insurance for this reason. He announced on television that because of pet insurance "I don't have to euthanize a pet because of [a client's lack

of] money. I don't have to see my clients hurting because of inability to pay for their pet's treatment".⁷

I asked Sophia if she would recommend pet insurance to cat owners or even to owners who aren't active with their dogs as she is. Fully supportive, she reminds me that injuries can happen in the home or backyard. She has been reimbursed for fixing her dogs' teeth that broke from chewing dog toys and for removing a foxtail (the spiked seed of a common grassy weed) wedged so deep in Cisco's nostril that it required anesthesia for removal. Any procedure involving anesthesia in a full-service small animal clinic can be expected to come to several hundred dollars, so even to solve something as easy and common as a foxtail stuck in the ear or nostril can be difficult for an owner to pay for. A survey of Chicago residents showed that a pet owner's inclination to provide veterinary care for their pet was correlated to their income, which suggested that the more hard-up an owner is for money, the less likely they are to take their pet for veterinary assistance with their pet's health.⁵ Pet insurance is significantly more affordable than the cost of a major surgery or extensive treatment plan—Veterinary Pet Insurance policies available for cats and dogs ranging from \$10 per month to \$35 per month and offering reimbursements for x-rays, surgeries, and prescriptions, among others.⁷

Sophia picks up Lupe, her Chihuahua-dachshund mix, now her only pet, accompanying us as we conducted our walking interview. She maintains the pet insurance on Lupe who, like Router and Cisco had, receives the best care Sophia can provide largely due to the financial assistance from the pet insurance. Her experience serves as an example of the immense benefit that pet insurance can offer to pet owners. Provided they are aware of their coverage, an insured pet owner can receive significant financial assistance to help them make the best healthcare decisions for their pet. California pet owners in particular have been given new rights under Assembly Bill 2056, which will hopefully spread to other state's legislature. With approximately 85.8 million pet cats and 77.8 million pet dogs in the United States¹, Americans can utilize pet insurance to help them provide the best care possible for their beloved pets.

REFERENCES

- 1 American Pet Product Association (2014). Pet Industry Market Size & Ownership Statistics. http://www.americanpetproducts.org/press_industrytrends.asp
- 2 Burns, K. (2014). Pet health insurance helping more pet owners afford optimal care. *Journal of the American Veterinary Medical Association*, 244(12), 1348-1354. avmajournals.avma.org
- 3 California Legislative Information. (2014). Assembly Bill 2056 (AB-2056: pet insurance). Section 1, part 9. http://leginfo.legislature.ca.gov/faces/billCompareClient.xhtml?bill_id=201320140AB2056
- 4 Felsted, K. (No date). Economic Trends and Issues in Veterinary Medicine. For the *Journal of the American Veterinary Medical Association*. https://www.avma.org/About/Governance/Documents/felsted_Economic_Trends_and_Issues.pdf
- 5 Freiwald, A., Litster, A., & Weng, H. Y. (2014). Survey to investigate pet ownership and attitudes to pet care in metropolitan Chicago dog and/or cat owners. *Preventive Veterinary Medicine*, 115(3), 198-204. doi: 10.1016/j.prevetmed.2014.03.025
- 6 Quinton, A. (2015, June 29). New Law Regulates Pet Insurance Industry [Audio file]. Retrieved from Capitol Public Radio: <http://www.cpradio.org/52423>
- 7 Veterinary Pet Insurance. No date. Vets Recommend VPI. <http://www.petinsurance.com/compare-vpi/vets-recommend-vpi.aspx>