



# Consumer briefing

## PET INSURANCE

### Why do pet owners need insurance?

With unexpected vet treatment often costing hundreds of pounds, it is not surprising that some pet owners 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 cover is available?

Take care to choose the insurance that best suits your needs now and in the future. Because most policies won't cover the cost of treating pre-existing medical conditions, it can be difficult to change to another policy or provider once your pet has received medical treatment for an illness or injury.

All insurance policies specify a maximum amount of money that they will pay out under each policy section. Policies may 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. 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 dog 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.
- **Advertising costs** to help find your lost or stolen pet and the cost of a reward if someone finds or recovers your pet.
- **Hospitalisation**, the cost of looking after your pet if you have to go into hospital for emergency medical treatment.
- **Holiday cancellation**, 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**, the cost of emergency veterinary treatment for your pet if you take it abroad under the Pet Travel Scheme.

(<http://ww2.defra.gov.uk/wildlife-pets/pets/travel/>)



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#### What is not covered?

Some of the most common things pet insurance does not cover are shown below. You should always read your policy's Terms & Conditions carefully to make sure that you have the cover you need.

- **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 when veterinary treatment is not covered which ranges from 10 to 30 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.
- **Pregnancy and giving birth** - anything to do with pregnancy, giving birth and treatment of the puppies or kittens.
- The purchase price of your pet if it dies after a certain age from illness, typically age 9.
- 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.

#### What types of Pet Insurance products are available?

##### LIFETIME POLICIES

(also known as lifelong, cover for life, reinstatement, repopulating or renewable benefit policies)

##### What do they cover?

- Like other pet insurance policies, lifetime policies are renewable on a yearly basis. To ensure your pet is covered, you must renew your policy every year.
- Lifetime policies insure all new medical illnesses and injuries. This means that any illness or injury that existed before the policy will NOT be covered. Cover is provided up to a set amount of money each year for as long as the insurance policy remains in force.
- If this limit is reached during the policy year, no further claims will be paid and any further treatment required for that year will not be covered. The policy needs to be renewed to ensure your pet is covered for new treatment for illnesses and injuries for the following year. An ongoing illness or injury that has needed treatment in one year during will be covered again by the policy the next year. There is no limit on how many times the illness or injury can be covered in this way, as long as the insurance policy remains in force.

##### Key differences between lifetime policies and other pet policies:

- As long as the policy is renewed, it will provide cover for treatment of a long-term or recurring illness for the life of the policy.

##### Important information

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



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#### **MAXIMUM BENEFIT POLICIES**

(also known as money limited policies or per condition policies)

##### **What do they cover?**

- There is a maximum amount of money available to cover the cost of treatment for each illness and injury the pet may suffer. Each illness and injury is covered until the maximum amount has been spent, as long as the insurance policy remains in force. There is NO time limit on reaching this amount. Once the full amount of money has been spent, the treatment of illness or injury and won't ever be covered again.
- If a pet has received treatment for a particular illness which appears in another part of the body at a later date, e.g. the other leg, ear or eye, many maximum benefit policies will treat this as the same condition. This means the maximum amount of money will only be available once, not for each occurrence of the illness or injury even if that is in another part of the body.

##### **Key differences between maximum benefit policies and other pet policies:**

Unlike Lifetime policies, long-term or recurring illness or injuries will be no longer be covered once the amount paid out for treatment of the illness or injury reaches the financial limit of the policy.

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#### **12 MONTH POLICIES**

(Also known as time limited policies)

##### **What do they cover?**

There are two elements to these types of policies:

1. A fixed sum of money to cover the treatment of each illness or injury, and
2. A set time period over which treatment for each illness or injury will be covered. Policies will cover the cost of treating a particular illness or injury for 12 months from the start of that illness or injury (as long as the insurance policy remains in force).
  - After the set period has ended, or when the sum of money for a particular illness or injury has been reached – whichever comes first – that particular illness or injury won't ever be covered again.

##### **Key differences between 12 month policies and other pet policies:**

- 12 month policies are different from other policies because each illness or injury is only covered for a specific time period from when it starts (usually a maximum of 12 months).
  - 12 month policies are different from maximum benefit policies because they apply a time limit to how long the treatment of an illness or injury is covered for as well as a fixed sum of money to each separate illness or injury.
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#### **ACCIDENT ONLY POLICIES**

##### **What do they cover?**

- Accident-only policies provide a fixed sum of money for each accidental injury to help pay for your pet's treatment.
- Some Accident policies may also include an amount towards emergency treatment costs of an illness.
- Some Accident policies also have a 12 month limit.

##### **Key differences between accident only policies and other pet policies:**

- Accident policies only cover the treatment of accidents and not illnesses, or at most only provide emergency treatment of illnesses. Some policies may also have a time limit for



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## What else do I need to 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 insurance 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. As your pet gets older the excess may also increase. The excess is normally a fixed amount of money; with some policies you pay a percentage of the treatment costs as well as the fixed amount. The percentage amount is often called a Co insurance excess.

### The cost of insurance

The cost of pet insurance, called the premium, usually depends on the type of insurance you chose, where you live, the breed of your pet, if it's male or female and its age. The amount vets charge for treatment also affects premiums. Generally in towns and cities vets' charges are higher than in rural areas and premiums will reflect this. Veterinary fee claims costs have increased year on year for many years due to the advancement, complexity, and increased number of treatments available to owners with insurance. Age is significant; as pets get older the premium is likely to increase because, like humans, there is more risk that they will be ill.

### Breeds

The insurance for pedigree pets is normally more expensive than crossbreeds. This is because crossbreeds are less likely to suffer from the inherited medical conditions that individual pedigree breeds tend to suffer from.

### Age

Most insurance providers will not offer insurance to pets less than eight weeks old. When 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 can usually continue with the same provider as your pet gets older.

### Remember

- Shop around to find the insurance that best meets your needs; look at what you get for the price, not just the price alone.
- Your vet may be able to help you.
- The Policy and Key Facts documents tell you what is and what is not covered.
- Always answer the insurer's questions honestly and in full. If you don't, the insurer may refuse to pay your claim.

## About the ABI

The ABI represents the UK's insurance, long-term savings and investment industry. Our 300 member companies market around 90% of the insurance and pensions products sold in the UK each year and administer assets of around £1.8 trillion, which is equivalent to 26% of the UK's total net worth.