

# Why pet insurance is a benefit to you and your pet - featuring Petsecure pet insurance's President & CEO

## Insurance for Fido and Fluffy

By: Kate McCaffery



I would love to have been in the room the first time someone tried to sell pet medical insurance. I can picture it... "You want me to insure my *dog*?"

In truth though, it's a good idea. (In my opinion, anyway) There are certain expenses that are a given when you take on the responsibility of pet ownership. Food is one. Veterinary fees (vaccinations and annual doses of flea and heartworm meds) are another. Both are part of the cost of doing business.

When you own a pet too, unless you're wealthy with absolutely solid sources of excess cash flow, I'd add pet insurance to that list as well.

Now some people will say you should take the \$20 or \$40 each month you'd spend on premiums and put it into a bank account instead. If you're flush enough that a sudden vet bill won't hurt you, this might make sense.

That said, even the healthiest animals eventually run into problems. Those people I know who are actually long time buyers of pet insurance say the product is worth it – in almost every case nearly all of their fees have come back to them at some point.

"With the advances in veterinary medicine today, anything that can be done to a human can be done to your pet," says Randy Valpy, president and CEO of Pet Secure. "Of course, with that comes associated costs and those costs have been increasing."

When you have insurance too, it can cover more than one claim. (By comparison, that reserve bank account – if it hasn't already been drawn on to fix the roof or replace the car's transmission – can be drawn down pretty quickly and once the funds are gone, that's it.) A healthy large dog, for example, is prone to getting hip dysplasia as it gets older. The surgery for each hip costs around \$3,000. After the first goes, the second usually follows within a year.

Like cars too, some animals are just absolute lemons. My last pet, Oscar the ferret, was probably the smartest of all the critters I've owned but he was definitely the sickest, coming close to death at least four times during his rather short life. (We think he may have been a cat in his past life that got ripped off – he brought his extra nine lives with him into this one.)

In addition to accidents or ailments, pets swallow things. "A lot of the foreign body cases we get are quite interesting. We've had a boxer that swallowed a 12-inch ruler and it got stuck sideways. You could see it pushing on the skin on either side," says Valpy. "You should see some of these x-rays. Dogs have swallowed knives. Fortunately they swallow them with the handle first so it doesn't do a lot of damage." Stones, golf balls and car keys are other favorites.

Given the anecdotal evidence I have about pet insurance payouts and my own firsthand knowledge of how tremendously expensive vet bills can be, I was really interested in speaking with Valpy. (Insurance companies are rarely in the business of doing anything that doesn't somehow turn a profit.)

It turns out that Pet Secure, formerly known as Pet Plan in Canada – a name they licensed from one of the world's largest pet insurance companies in the UK – has been in business since 1989. The company didn't turn a profit until 2003.

At the time, he says the company's owners were looking at the European model – pet insurance has been around in the UK since 1947. Roughly 20 per cent of pets there are insured. In Canada, only one per cent of animals are covered.

Fun fact: The first pet insurance policy was issued for a horse in Sweden in 1898. (Today, although Pet Plan in the UK has an eqUANINE XXX, most horses are covered in the agricultural market.) In Sweden, more than 40 per cent of the population's two or three million pets are insured.

So why only cats and dogs? Again, thinking like an insurance writer, I assumed it was simply not profitable to insure my pet ferrets. (My vet once joked that they are probably the most expensive animals to keep if you were measuring on a cost per pound basis.)

As usual though, the answer was a little more nuanced. In order to adjudicate claims, the company needs to have animal health technologists and veterinarians on staff. To cover other pets or animals, it needs to add additional staff with more specialized knowledge to process claims.

There are no hard figures but Valpy says thousands of pets are put to sleep every year unnecessarily. Many could go on to live a healthy life if their owners could afford treatment.

Not having insurance can mean racking up large credit card bills or the need to dip into savings for other goals such as a house down payment.

Not having the funds for a vet bill "can really prevent you from reaching other goals," agrees Valpy. "None of us wants to make an insurance claim. It's the same with your pet. You don't want your pet to get sick or hit by a car but we sure like to have the insurance when something does happen because it eases financial strain."

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