

Options for Funding Your Pet's Medical Care



Statistics show that pet health insurance is becoming increasingly popular in the United States. Studies have shown that many pet owners can manage expenses up to \$500 but have difficulty with expenses beyond that level. Here are some factors to help you decide which option or combination of options works best for you:

| OPTION | ADVANTAGES | DISADVANTAGES | CONSIDER THIS |
|--------------------------------------|--|---|--|
| Personal savings | <ul style="list-style-type: none"> › A good option for small bills and routine visits. › No paperwork. › No waiting period. › Immediate access to funds. › No disputes over what is covered. | <ul style="list-style-type: none"> › Sticking to a savings plan is hard for most people. The 2006 U.S. savings rate was -0.4%, meaning Americans spent everything they made...and then some.¹ › You'll need to designate money for pet care that may be needed for another purpose. | <ul style="list-style-type: none"> › If you don't currently follow a regular savings plan, this option will be difficult. › If you wait too long to start or fail to save enough, money won't be available when you need it. |
| Personal credit card(s) | <ul style="list-style-type: none"> › A good option for small bills and routine visits. › No paperwork. › No waiting period. › Immediate payment possible. › No disputes over what is covered. | <ul style="list-style-type: none"> › Credit card limits restrict the amount you can spend › High interest rates may make repayment difficult. › Failure to pay on time may damage your credit rating. | <ul style="list-style-type: none"> › Bills mount quickly, particularly if you carry balances on several cards. › Consider the impact that funding pet care with credit cards will have on your total financial situation if you are unable to pay off the balance rapidly. |
| Pet health credit card | <ul style="list-style-type: none"> › Can be used in combination with pet health insurance or other forms of payment. › No interest if repayment is made by the designated date. › Extended payment plans offered. › Same-day approval. | <ul style="list-style-type: none"> › Credit approval is required. › Interest rates increase if you exceed your credit limit, pay late, or fail to pay in full by the designated date. › You may need to pay part of the bill up front if costs exceed your pet health credit card limit. | <ul style="list-style-type: none"> › As with any credit card, read the application and fine print carefully. Understand your financial obligations before you sign. |
| Comprehensive pet health insurance | <ul style="list-style-type: none"> › Varies significantly by provider. Some policies include both routine care, such as prescriptions, and hospitalizations and major emergencies. Preventive care such as vaccinations, wellness checks, and flea/heartworm care may be included or may require an additional fee. | <ul style="list-style-type: none"> › Full coverage generally means higher premiums. › You may pay more for insurance than you would spend if you paid for routine care out-of-pocket. › May not cover genetic, hereditary, or preexisting conditions. › Chronic conditions may require special coverage. › Requires a waiting period before policy becomes active. | <ul style="list-style-type: none"> › Most pet health insurance policies are indemnity policies, which means that you pay the cost of veterinary care up front and receive a refund after the claim is processed. To take full advantage of pet health insurance, use a credit card or designate some personal savings for pet care. Replenish your savings or pay your credit card bill with your refund. |
| High-deductible pet health insurance | <ul style="list-style-type: none"> › Covers many major medical emergencies or serious illnesses. › Generally couples higher deductibles with lower premiums. | <ul style="list-style-type: none"> › Routine care must be paid out-of-pocket. › May not cover genetic, hereditary, or preexisting conditions. › Chronic conditions may require special coverage. | <ul style="list-style-type: none"> › Same as above. |

¹ U.S. savings rate at lowest since Great Depression, CBC News, Feb. 1, 2007, www.cbc.ca/money/story/2007/02/01/ussavings.html