

PET WELLNESS PODCAST – EPISODE 16 (part 2)

Understanding Pet Insurance with Dr. Chip Coombs

Hello and welcome to the Pet Wellness Podcast with your host, Dr. Mike Bondar, a veterinarian with a passion for all things pet experienced in holistic medicine, pet training and you guessed it, pet wellness. This is a show where we not only talk about pet problems, we give solutions and suggestions for optimizing your pet's health. Each week you'll hear thought-provoking advice and interviews as well as actionable tips you can implement in your daily life. And now, here's your host.

Welcome, everyone, to the Pet Wellness Podcast. I'm your host, Dr. Mike. Today's episode is part two of my interview with Dr. Chip Coombs on the topic of pet health insurance. In this part of the interview, Dr. Coombs gives us insights into some of the myths and misconceptions about pet health insurance that you certainly don't want to miss. Some of them certainly opened my eyes, so let's get right into it. Here again, is part two of my interview with Dr. Chip Coombs.

So, what are some of the sort of myths and maybe misconceptions about pet health insurance? Well, there are lots. Probably the first and foremost is that pet health insurance is basically like Blue Cross. It's private insurance. It is not as medicine; it is not the same as provincial healthcare. So, try not to go into it thinking that it's going to be the same as what you experience with your own health insurance that is provided by whatever province you reside in. It's private insurance and it works the same way. And the company has to make a profit. Doesn't want to gouge you, but the company has to make a profit, or it isn't going to stay in business. So, bear that in mind when they talk to you about pre-existing conditions and exclusions. Because if we go back to that pussycat who had diabetes before the owners bought the insurance policy, if that were the same as OHIP, then the premiums would be astronomically high. And what your listeners may not appreciate is that and this basically applies right across the country, there's maybe one- or two-point variation, but about 50% of our tax dollars in Canada go to pay for our health insurance. And it's still a pretty crummy inefficient system. But be that as it may, that's another discussion. All I'm really saying is that if these pet health insurance companies offered the same kind of coverage that our provincial healthcare did, the premiums would be totally unaffordable. I mean, maybe thousands of dollars a month, which would kind of defeat the purpose of having it. We're looking for something that's far more affordable down the road.

Another common, and I heard this from my own clients and I'm sure you did as well. We might have discussed with them about pet health insurance, but they never got around to getting it. And now their pet comes in with a particular problem and they're kind of kicking themselves, oh, I should have got that pet health insurance, I guess it's too late. And the answer could be further from the truth. And the answer is, no, it's not too late. It doesn't matter what condition your pet has had that doesn't preclude them from having pet health insurance. It may create that particular condition as being pre-existing. As you well know, there are hundreds of different problems that can affect dogs and cats. So, the fact that one condition might not be covered

certainly doesn't undermine the merits of having pet health insurance for all the gazillion other things that could happen.

Another aspect that I cannot wrap my own mind around personally is that owners tend to look at pet health insurance as an investment, and I don't quite grasp that one. We don't have car insurance, hoping that we can collect on it for obvious reasons, but when we buy pet health insurance, people look at it in a totally different light. They sort of think, well, I'm paying \$100 a month in premium and I only claim \$500, so it wasn't worth it. But that isn't why we have it. We don't have it as an investment. It's to cover those astronomical costs that can blindsides us when we don't have the budget to pay for it. And as we have alluded to, there are some very expensive procedures that are very commonly done, like a torn cruciate ligament for six, seven or \$8,000. And so, your listeners have an idea. A torn cruciate ligament, which is one of the ligaments in the knee, accounts for 85% of all lameness in dogs. And not just the back legs, which is the only place you can find a cruciate dog or cat. But that means all lameness, including the front legs, which there are no cruciate cats. So, I'm all I'm trying to say is it's a very common problem for a large breed dog, and every year the cost to have them repaired just goes higher and higher and higher. I was just going to say when you say that \$6,000, it certainly wasn't that back in our day, but they didn't have specialists to do it either. That's right. I have repaired hundreds of cruciate ligaments over my career, but there are techniques today that are far superior than what was available when I was still in practice. There are only a relatively small number of people who are qualified to do it, so if you want it done properly, that's the best route to go.

Another common myth and I hear this a lot, let's say the premium is going to be \$60 a month, will be \$30 for a cat, but let's say for the dog it's \$60 a month. And the owner will say, "well, I'll tell you what I'm going to do. I'm not going to get the insurance. I know what the premium is, I'm going to put that in *Fluffy's* bank account every month and I'm not going to touch it and it'll just build up. And when the time comes, I'll have savings account for my pet, and I'll delve into that and that will pay for it." And on paper, at first blush, that kind of makes sense. You think, well, all right, that might work. But there are two huge problems with that approach.

Problem number one is let's say after six months you've got \$500 saved. And you notice that unfortunately you now have a roof that is starting to leak. Well, you have to have the roof repaired. So that, I guarantee was going to be thousands upon thousands of dollars. And so again, back to the fact that most people haven't had the ability to save and put aside thousands of dollars, then we're scrounging because we can't wait. This roof has to be fixed because the longer we wait, the worse it's going to get, and the more damage is going to be done to the rest of the house. So, you might be able to get a bank loan, but I guarantee your *Fluffy's* savings account is going to get hit because it's a nice, water cash. *Fluffy* is absolutely fine. There's nothing wrong with it whatsoever. So, let's use his savings account. And so, guess what? There's nothing left on the account. And Murphy's Law tells you what's going to happen in the next few weeks. Something's going to happen to *Fluffy* and there won't be anything in the savings account.

The other scenario is that if we assume that you're putting money, the premium dollars aside into the bank account and a year has passed and you maybe have as much as \$1,000 put

aside, which would be fantastic. But the difficulty is that let's say *Fluffy* is a retriever and *Fluffy* is playing ball with his buddies in the park and *Fluffy* does a power turn and he tears his cruciate ligament in his knee. You have thousand dollars put aside after a whole year and yet the surgery is probably going to, in fact, the quote that I was just given was \$7,000. So, I'm six grand short after a year's savings. So, what happens in those cases where the cruciate got torn maybe a month after you took out the policy? Well, the policy is going to cover almost immediately. So, I mean, you've got the coverage you needed after one month of paying one month's premium as opposed to saving for a whole year or five years or six years. Another common misconception is because my pet and this would probably apply more to cats and dogs, but because my pussy cat only is indoors, why would I want pet insurance? Nothing can happen. He's not going to get any accidents. Well, as we both know, these guys get into trouble no matter what, whether they eat at Easter time and somebody brings home some Easter lilies and the pussy cat and about third pet owners who own cats have no idea that lilies are toxic to cats, but all it takes is one mouthful of lilies and you now have a pussy cat who is fighting for his life. So, the only way that I can be turned around is with very aggressive medical treatment in a veterinary hospital over days. And that is going to add up. Here we have a classic example. The indoor cat never gets outside, decided to sample a plant and now he's fighting for his life.

Yeah, and I'll throw in on the kitty scenario. I'll be talking about this on another podcast for sure is that there are so many, what I call silent killers in cats, hypertension and heart disease, things that owners don't notice at all. But then they go to their veterinary and find out, wow, my cat is a heart murmur, or wow, the blood pressure is up. It's amazing how we can find these pretty expensive long-term chronic diseases in cats by chronic renal failure, which a large percentage of cats are prone to. And they're on long-term medications that could easily be covered by insurance or pussy cats that are overweight. And how predisposed are they to diabetes, which is a chronic condition? I mean, you're right.

Some people feel that their pet is simply too old for pet health insurance. The premiums are going to be too expensive; they won't cover them well. There's no harm in trying. I can think of many pets that were insured when they were 14, 15 and 16. And with this particular company, the premium was exactly the same as if they were seven or eight weeks of age. You referred to renal failure that so many pussycats get you're right. 75% of cats, when they go to the great reward, do so from kidney disease. So, it isn't a given, but it's a pretty good bet that something's going to go wrong. So, all the more reason to get pet health insurance. That's a great comment, Chip. Even I didn't think about the fact that as you get older, everything's not working as well. So, you might have only had one disease, but now you're prone to all these other diseases because your body has aged so much.

My biggest frustration about pet insurance is the number of times I've had these eight-year-old golden retrievers come in for their very first time with a problem. They didn't have a cruciate, they've been like rocks. And then I say, oh, great, you're insured. Oh, I went off of it this year because it was eight years and I decided to go off the insurance. It wasn't worth it. And I just shake my head and that's happened many times to me. I don't know if that's a big one for you, but that's a huge frustration for me. Well, that ties right back to the rationale for thinking that

pet health insurance is an investment. I mean, they pay premiums religiously for eight years and they never made any claim or nothing significant, so they thought well we've got a very healthy dog here so why bother? Well, that's not why you have the insurance. Exactly! I mean I couldn't think of a happier way and a place to be than to have pet insurance for a pet and never make a claim because it means that that pet has been perfectly healthy their entire life and that is a dream. Totally unrealistic for me to think that way that my pet is going to be like that but that would be a dream. So, if you've had a pet that's gone eight years without making any claims consider yourself really fortunate but don't cancel a policy because your luck might just run out. I mean statistically, it is going to run out so why take a chance? It's funny but when you say that I think of a conversation I had with my son. We had a conversation about life insurance, and I said when you first have a child, when I first had you, I immediately got life insurance, he said but dad, you were only in your thirty's. And I thought well yeah, I didn't think I was going to die but what if I did? I would want to make sure that mum could take care of you. And he, for a second stopped, and he goes wow that actually makes sense. And I said because I was younger and I didn't have any problems the insurance was much cheaper than if I would have decided today to get it, for instance.

Well, we could probably go on for another hour and we won't, but I guess in summation I would admit my fault of being evangelical when it comes to pet health insurance I cannot think of any scenario where an owner should not have a pet health insurance. You referred earlier to the fact that you have your pets insured I've had my pets insured from the very first-time pet health insurance became available and in our practices, you may remember we didn't refer an awful lot we in fact referred very little because we were holistic and capable enough we could deal with virtually everything in house but the reality is sooner or later you're going to come up against a case that you can't figure out so you do refer to a specialist and specialists as are their human equivalents. They're very expensive and whether it be for a specific function like orthopedics or even internal medicine, the costs add up very quickly. So, the reasons I had it were in case my dog required some orthopedic surgery that I didn't have the capability of doing or more importantly using your words peace of mind you and I travelled a lot and as a result of that we weren't home and so you have a family with multiple pets something happens to the pet. Particularly if it's late at night where do they go? They go to an emergency clinic, and it doesn't matter if you're a veterinarian or not, as you pointed out, you're treated just like everybody else because the overheads for emergency clinics to run that facility, 24/7, is very high, and the net result is the costs add up dramatically. So, I didn't want my family being in a position of saying, oh, well, maybe we should wait until dad gets home because he could do this in his own practice. Well, ours can be rather critical, so the answer is no. If the pet needs urgent care, or any care, have it dealt with as soon as possible. Don't wait for me to get home. So that was worth the premium loan for me. I can't hardly endorse it enough. It will pay for itself in spades. And if you're lucky, and you never have to make a claim, it will pay for itself. Just in terms of peace of mind.

Absolutely. And on that comment that you just made, it is one of those things where people probably don't realize, they might think that, oh, I'll get this pet insurance and this is my vet, but they may not realize that this is to any vet you go to. I mean, you can go to an emergency claim. It doesn't have to be your vet to have a claim. So, it's not like the insurance comes from

the veterinarian. It comes from any veterinarian in Ontario if you're living in Ontario. Correct? Right. In the UK, it does differ. Pet insurance companies will give you discounts if you go to certain veterinarians, but we're not allowed to do that in Canada or in the US. And so, if you have insurance in fact, there's another point. Even if you're travelling in the United States, you could be a snowbird, or you could be travelling in a camper van, and you take your pets with you, and you have a problem in the United States, all the Canadian companies cover you for any accident or illness that occurs in the United States. So, you'd be travelling, you can go to any clinic, any referral, any emergent clinic, it doesn't make any difference. You could be happy with your veterinarian and want to switch veterinarians. It doesn't make any difference. As far as the pet health insurance company is concerned, you still have coverage. Fantastic. I didn't know that. That's really interesting news.

I have one last question for you because this one I want to know, and I'm sure listeners want to know as well. So, you've been in the pet insurance industry for a long time. What is the biggest claim you've ever seen come through your door? Just so people get an idea of how expensive things can get at times. Well, a number of them come immediately to mind. I think, to be honest, the biggest bills were referral practices in their bills were \$30 to \$40,000. Actually, I'm glad you brought that up. Let's talk about claims just for a moment. So probably the biggest one that I saw would have been probably \$16,000, \$17,000. There are companies both in the United States and in Canada that will offer what is referred to as unlimited coverage, which means there's no cap on the amount. And so, if you have a \$30,000 bill, then all \$30,000, taking into consideration the deductible on your coinsurance, is eligible for coverage. And you think, oh that's fantastic, love it, let's get that one, dear. Well, the challenge is that the premium for an unlimited policy is significantly higher, sometimes two or three times what a regular policy's premium would be. You have to sort of look at it from a statistical standpoint to determine whether or not that actually is worth it. So probably a quarter of all claims that are made are less than \$400. A half of all claims are less than \$700. And I'm just talking about for the overall complete treatment of the problem. 98% of all claims to resolve a problem are less than six thousand dollars. Nine-point nine percent of them are less than \$15,000. So less than 1% are going to be above \$15,000. So, you have to ask yourself, am I willing to pay a very high premium to cover that 1%? And if the answer is yes, I don't care what the premium is, I want peace of mind, then I would go for it. But in reality, statistically, it's not necessary. So, a policy that offered, I don't know, anywhere from \$6000 to \$8,000 coverage per year for however many conditions, but that would be the total policy output. It's going to cover the vast majority of conditions that your pet is going to meet within any one year. And if you want up to \$15,000, that's going to cover 99%. So yes, I've seen some very high claims, but they're not the norm. The norm is sort of the typical \$6,000, \$7,000 range. Or the multiple, especially when we're talking about Shar Pei's and skin conditions. What I see a lot of is a lot of \$2300 over and over again, which eventually hit \$6,000. But that's also tough on the budget too, to just keep going back for these repeated very expensive medications that your pet needs. It's just easier not to have to think about it. Well, that's right. And I think the reality is for half the population, they don't have the cash flow to handle that \$400. They would spend it, there's no question they would spend it if they had the money. But unfortunately, many families, don't simply have the dollars with which they can put

towards that sort of thing. That's why the premium is something that one can budget for. It's a couple of cases of beer a month and you're done. So, it becomes a matter of priorities, really.

It is sad that sometimes we as practitioners again have to minimize the type of medicine that we practice to try and help pet owners who are struggling. And we get that. And essentially, I'm hoping for those of you listening to realize that pet insurance is a way to not have to worry about that anymore. Oh, no, I think that's true. And I would have to admit that veterinary medicine is changing, and we both know it. I'm not sure we're both happy with it, but that's unfortunately our modern world. But in our day, if an owner didn't have the money to pay for something, we were in a position as private entities as opposed to corporate owners, that we could do pro bono work and say, you know what, pay me when you can, we're going to do it anyway. I refuse to put your dog or cat to sleep. You can't do that for everybody that walks in the door, or you wouldn't have a business. And in our case, the 22 people who relied on that practice as a place to work wouldn't have a job. So, you can do it occasionally, but you can't do it for everybody at the walks and door. It's just not feasible financially. That's why we're so gung-ho on owners having insurance because then we didn't have to practice economic euthanasia. It would break our hearts. Absolutely. Yeah. Those are tough times. It's something that we struggle with, all of us struggle with it on a regular basis.

It's the whole reason why I start off this movement called the Pet Wellness Advocate movement. The word Advocate is exactly what pet insurance means to me. You're advocating for your pet, which means you're putting money away as a way of saying, hey, if you ever have a problem, I'm here for you. We know you're going to be there for your pet emotionally, but we want you to be there for your pet financially. Exactly. And I know many of your listeners have had negative experiences with insurance companies, but they're not all the same. And I'm not referring to pet health insurance specifically, I just mean it could be house insurance, it could be automobile insurance, but I think in the pet health world, they are different insurance companies and I think the vast majority of them do care about your pet. And they're not there to figure out how not to pay a claim just on principle. So, if you have had bad experiences with other insurance companies, I wouldn't tar pet health insurance companies with the same brush. Well said. Excellent. We're going to end it there because that was perfect.

Thank you so much for joining us today. I hope you learned a lot from Dr. Coombs on pet health insurance. If you have any questions for Dr. Coombs or any questions for me, you're more than welcome to email us at podcast@petwellnessadvocate.com. Have a wonderful day and remember, our pets deserve our best!

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