

Is Pet Insurance Worth the Cost?

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You come home to find your dog vomiting and listless. After rushing them to the vet, you learn that they swallowed one of your socks and needs emergency surgery — to the tune of several thousand dollars. Can you afford to pay that bill? If not, pet insurance might be worth considering.

Pet insurance helps cover the cost of medical care for your furry friend. It can reimburse you for expenses like cancer treatment, emergency care, prescription medications and surgery.

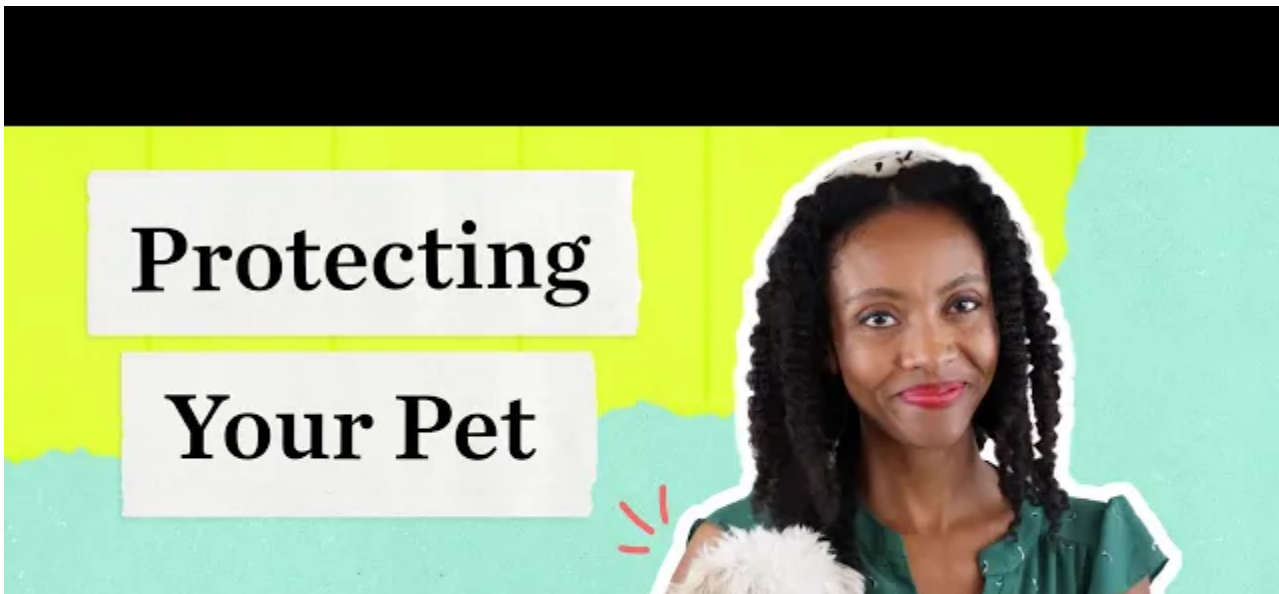
In some dire scenarios, pet insurance could save the life of an animal that would otherwise be euthanized if its owner couldn't afford treatment. But if your pet rarely gets sick, you could end up paying thousands of dollars in premiums without getting much in return.

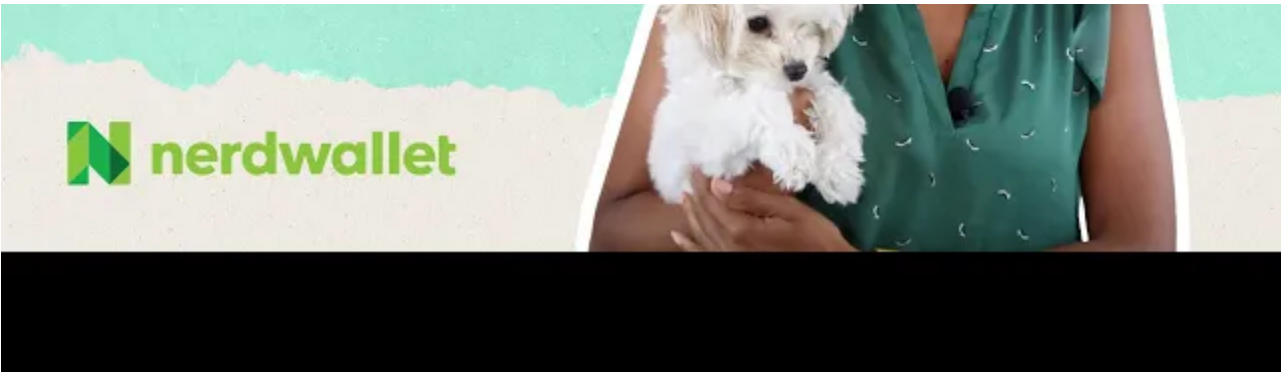
So is pet insurance worth it? Here's some information to help you make the decision.

The rise of pet insurance

A growing number of owners are choosing to insure their pets. More than 4.8 million U.S. dogs and cats were covered by pet insurance in 2022 — an increase of 22% from the year before, according to the North American Pet Health Insurance Association, or NAPHIA. The number of insured cats and dogs in the U.S. has nearly doubled since 2019.

That's significant growth, but the industry still covers only a small fraction of American pets. In the U.S., there are an estimated 65 million households with dogs and nearly 47 million households with cats, according to the 2023-2024 American Pet Products Association National Pet Owners Survey.





What pet insurance costs

The average annual cost for an accident and illness policy is about \$640 for dogs and \$387 for cats, according to NAPHIA data from 2022, the most recent available. That works out to about \$53 a month for dogs and \$32 a month for cats.

If you choose an accident-only policy, the annual cost drops to \$201 for dogs and \$122 for cats. Such plans will cover treatment if your pet is hit by a car or swallows something poisonous, for example, but won't pay if they get sick.

Premiums may vary significantly based on your pet's age and breed, the cost of veterinary care where you live and the insurance policy you choose.

Be aware that rates tend to increase as your pet gets older and more prone to health issues. If the plan gets too expensive for your budget, you might end up canceling the coverage just when your pet is starting to need it most.

To see how much rates might rise over time, we checked sample quotes from [Pets Best](#), a popular pet insurer, for a medium-sized, mixed-breed dog in Katy, Texas. Here are the monthly prices we found for a policy with a \$5,000 annual limit, \$500 deductible and 80% reimbursement level:

Dog's age	Monthly rate
3 months	\$35.11.
2 years	\$31.50.
4 years	\$33.61.
6 years	\$48.34.
8 years	\$70.99.
10 years	\$114.10.

Dog's age	Monthly rate
12 years	\$156.59.

That may not seem too dramatic when you see the increases monthly, but here's how your average annual cost would change over 12 years of your dog's life:

We also got quotes from Pets Best for a domestic shorthair cat in the same ZIP code. (Rates run through age 14 to reflect a cat's longer expected life span.)

Cat's age	Monthly rate
3 months	\$22.45.
2 years	\$20.14.
4 years	\$20.35.
6 years	\$28.82.
8 years	\$40.69.
10 years	\$61.88.
12 years	\$91.41.
14 years	\$107.09.

Though the overall premiums are lower for cats, there's a similarly sharp price increase as they age.

In the end, you'll likely pay thousands of dollars for insurance if you maintain the policy over the life of your pet.

Remember that these are sample numbers for one pet insurance company in one ZIP code. Your price will vary, so it's worth shopping around.

What pet insurance pays for

So what do all those premiums get you? Though insurance can be a godsend if your pet is facing an expensive diagnosis, your plan likely won't reimburse every dollar you spend at the vet.

Deductibles, limits and payouts

Most policies come with an annual [deductible](#), the amount you're responsible for before the insurer

starts paying. Once you've met your deductible, most plans pay out a certain percentage of your vet bill — typically 70%, 80% or 90%. And you may be subject to an annual maximum payout.

Insurers don't all handle deductibles and reimbursement rates the same way. Some apply your deductible first, then pay a percentage of the remaining bill. Others apply your reimbursement rate even before you've reached your deductible, which means you'll need to spend more out of pocket before you're eligible for reimbursement.

Say you have a \$500 deductible on a plan that pays up to \$10,000 per year and reimburses 80% of your costs. If your dog needs a \$2,000 surgery and you haven't put anything toward the deductible yet, your plan would pay either \$1,100 or \$1,200, depending on when your reimbursement rate is applied. Here's the math.

When the deductible is applied first: $\$2,000 - \$500 \text{ deductible} = \$1,500$. $80\% \text{ of } \$1,500 = \$1,200$.

When the reimbursement rate is applied first: $\$2,000 \times 0.8 = \$1,600$. $\$1,600 - \$500 = \$1,100$.

You can often customize your plan with a lower deductible or higher reimbursement rate, but your premium will go up accordingly.

What's covered and what's not

Even if you find a plan with no annual limit and 100% reimbursement, it still might not pay you back for every veterinary expense.

For example, most plans won't cover [spay or neuter surgery](#) unless you've bought an add-on for wellness and preventive care. The same goes for vaccinations, annual checkups and teeth cleaning. Insurance is designed to cover unexpected expenses, not routine costs associated with pet ownership.

But [pre-existing conditions](#) are perhaps the most important exclusion in just about every pet insurance plan. Pet insurance generally covers only new injuries or illnesses, not conditions the animal has before the policy takes effect. So don't try buying pet insurance to pay for your cat's chemotherapy after they were diagnosed with cancer — it probably won't be covered.

That's why pet insurance may be more valuable for pets who are young and healthy than those who already have a chronic condition or two.

Pre-existing conditions can also be a problem if you let your policy lapse. Say you're out of work for a few months and can't pay Fluffy's premiums. If you reinstate their coverage later, all their previous ailments will count as pre-existing conditions, even those the earlier plan covered.

For more details on what's covered and what's not, see our guide to [pet insurance coverage](#).

The cost of veterinary care

Dog owners spend an average of \$472 each year on surgical vet visits and \$250 each year on routine vet visits, according to 2022 survey statistics from APPA. Cat owners have lower annual expenses on average, spending \$232 on surgical vet visits and \$198 on routine vet visits. (Remember: Most pet insurance plans don't cover routine care unless you pay extra.)

Below are the most common types of pet insurance claims for dogs and cats, according to 2021 data from NAPHIA, the latest available.

Dogs	Cats
1. Urinary tract infection.	1. Urinary tract infection.
2. Otitis/ear infection.	2. Diabetes.
3. Gastroenteritis.	3. Vomiting/emesis.
4. Diarrhea.	4. Kidney disease.
5. Dermatology/skin conditions (allergies, irritation, infections, mass).	5. Hyperthyroidism.
6. Arthritis.	6. Gastroenteritis.
7. Allergies.	7. Diarrhea.
8. Lameness.	8. Upper respiratory infection.
9. Vomiting.	9. Respiratory.
10. Seizure.	10. Cancer/growth/oncology.
11. Ophthalmology/eye conditions.	11. Inflammatory bowel disease.
Source: NAPHIA 2021 State of the Industry Report	

Some conditions on this list are relatively minor and inexpensive to treat, such as a urinary tract infection resolved with a course of antibiotics. But others could rack up significantly more expenses.

For example, one common skin mass in dogs is a mast cell tumor, a type of cancer. Surgery to remove one of these tumors could cost \$500 to more than \$1,000. For tumors that are aggressive or hard to remove surgically, your vet may also recommend radiation or chemotherapy, which can cost thousands of dollars.

If your pet faces only minor health conditions throughout his life, you may end up paying far more for pet insurance than you get back. But if something serious goes wrong, the insurance may be well worth it.

Alternatives to pet insurance

If you'd rather not buy pet insurance, you can try one of the following ways to pay for your furry pal's care.

Self-funding

Instead of paying a monthly premium to a pet insurance company, you could contribute to a [high-yield savings account](#) for vet expenses.

The advantage of this strategy is that if your pet stays healthy, you'll still have the money to use for something else. The downside is that you might not have enough saved if your puppy has an expensive accident three months after you bring them home.

Financial assistance

If you find yourself unable to afford care for your pet, you still have options. Your vet may be willing to work with you on a payment plan, or you can look for another clinic that charges less for the treatment your pet needs.

You can set up a crowdfunding campaign to help pool the support of friends and family. Charitable organizations may also be able to provide grants or other assistance. The Humane Society of the United States has a useful [list of resources](#).

So, is pet insurance worth it?

Consider buying pet insurance if:

Your pet is young and healthy.

You don't have enough savings to cover a hefty vet bill.

Having insurance coverage gives you peace of mind.

Pet insurance may not be worth it if:

Your pet is a senior or has health problems.

A big vet bill wouldn't be a financial hardship for you.

You'd rather take the risk of an expensive diagnosis than pay for insurance you might never use.

A previous version of this story offered an incomplete picture of how pet insurance deductibles and copayments are applied. It has been corrected.