

Is Pet Insurance Worth It In 2024?

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If your pet gets injured or sick, pet insurance helps cover medical expenses. What was once an obscure insurance product has been gaining steam. There are nearly 4 million cats and dogs insured in the U.S., according to the “State of the Industry 2022” report published by the North American Pet Health Insurance Association. That’s more than double the total number of cats and dogs that were insured in the U.S. in 2017.

Pet insurance might be more affordable than you think. It costs an average of \$44 a month for dogs and \$30 a month for cats in 2023, according to a Forbes Advisor analysis of pet insurance rates. That’s for a policy with \$5,000 in annual coverage, a \$250 deductible and 80% reimbursement level.

Is Pet Insurance Worth It?

[Pet insurance](#) can be a good way to help offset a major unexpected vet bill, like cancer treatment or a broken bone, which can cost thousands of dollars. Without pet insurance, you would have to pay out of pocket for vet expenses. You’ll need to weigh the monthly cost of pet insurance against potential vet expenses to determine if pet insurance is worth it for you.

For example, if you get socked with a large, unexpected vet bill, what you’ve paid in premiums can be far less than what you receive in reimbursement. And that’s the main point of pet insurance: To have financial protection against major vet bills.

Pet insurance can help offset vet costs, but policies may have annual limits, coverage exclusions and waiting periods, so it’s vital to understand exactly what a policy does and doesn’t cover.

Example of Pet Insurance Being Worth It

- **Premiums:** Suppose you’ve been paying for pet insurance for your dog for three years at about \$684 a year. That’s \$2,052 so far in pet insurance premiums.
- **A big vet bill:** Then your dog ingests a small toy, which ends up costing \$4,000 in vet bills. If you have a \$500 deductible and a 90% reimbursement level, your out-of-pocket cost for the incident would be \$850 (\$500 deductible + 10% of 3,500 = \$850).
- **The result:** Adding up premiums for three years and the toy incident, you’ve paid \$2,902. Without pet insurance, you would have paid \$4,000 for the vet. You’ve avoided paying about \$1,100 by having pet insurance.

“What’s important to know is that four out of five pets will have an unexpected emergency. You don’t know if that’s going to come three months or three years after you get your pet,” says Walter Haugland, vice president of marketing of [Pets Best](#). “It’s almost impossible to plan for the

unexpected. So, that's where pet insurance comes in."

Should I Get Pet Insurance?

When deciding if pet insurance is worth it, ask yourself:

- What are you willing to pay out-of-pocket for vet bills?
- How would you pay for costly vet expenses if something did come up, like an accident or an illness such as cancer?

You might have an idea right now of how much you'd be willing to pay in vet bills for an emergency. But if your pet is actually faced with a life or death situation, "you might be willing to stretch the budget further than you ever imagined," says Haugland.

"Overall, buying pet insurance can give pet owners peace of mind and options so they can make the best care decision possible for a pet, without the financial risk," Haugland says.

Average Treatment Costs for Pets

To determine if pet insurance is worthwhile, it's good to know what kind of vet bills you could be looking at. Here are examples of average treatment costs, courtesy of Pets Best.

In addition, pet treatment costs are steadily rising. Data from Pets Best shows that the cost of treating a broken bone is up 16% year-over-year for dogs and up 6% YoY year-over-year for cats.

It's also worth mentioning that some pets are prone to hereditary conditions that could increase their cost of care. For example, large dogs like border collies, Labrador retrievers, Great Danes and German shepherds are more likely to have hip dysplasia, which could cost between \$3,500 and \$7,000 to treat, sometimes even more, depending on the situation.

What Does Pet Insurance Cost?

Our analysis found the average [pet insurance cost](#) is about \$528 for dogs and \$360 for cats per year, based on \$5,000 in annual coverage with a \$250 deductible and 90% reimbursement level.

Average Pet Insurance Costs

Your costs will vary depending on factors such as:

- **Pet's breed.** Some pets are more susceptible to certain conditions than others. For this reason, it may cost more to insure certain pets. For example, larger dogs usually cost more to insure.
- **Pet's age.** As pets age they are more susceptible to accidents and illnesses.
- **Pet's gender.** Female pets may be considered a lower risk, which can result in lower pet insurance premiums.
- **Location.** Vet costs vary by location. If the vet costs are higher in your area, you may pay more for coverage.

Find The Best Pet Insurance Companies Of 2024

What Does Pet Insurance Cover?

The biggest difference between human health insurance and pet insurance is that pet insurance plans are typically reimbursement-based, meaning you pay up-front for the pet's vet bills and then submit a claim to the insurance company. Also, pet insurance doesn't have provider networks like human health insurance does. You can submit vet bills for any licensed veterinarian to your pet insurance company.

Accident and illness pet insurance plans typically cover:

- Broken bones
- Toxic ingestion
- Dental illnesses like gingivitis
- Chronic conditions like diabetes
- Breed-specific conditions like hip dysplasia
- Emergency care
- Surgery
- Diagnostic testing
- Hospitalization and surgery
- Prescription medications

An accident-only pet insurance plan will cover only veterinary expenses related to an accident, like a torn ligament or a pet swallowing something poisonous. It will not cover veterinary expenses related to an illness, like ear infections or cancer.

Some pet insurance insurance plans have the option to add wellness or routine care coverage. This add-on covers expenses like routine check-ups, microchipping, vaccinations and flea/tick prevention.

What Does Pet Insurance Not Cover?

Here are some common pet insurance exclusions:

- **Experimental treatment.** This includes treatments that are considered experimental, investigational and not within the standard of care accepted by the veterinary medical board in your state.
- **Food, dietary and nutritional supplements.** Your pet's dietary expenses are usually not covered by pet insurance, but some plans cover prescription food and supplements.
- **Grooming.** Services such as baths, dips, nail trims and shampoos are typically not covered by pet insurance.
- **Non-veterinary expenses.** This includes expenses such as any license or certification, compliance with a government rule or regulation (such as a dog license), record access or copying, and waste disposal services.
- **Pre-existing conditions.** [Pet insurance for pre-existing conditions](#) includes illnesses and injuries that your pet had before your coverage started. Some plans do not permanently exclude pre-existing conditions. For example, [ASPCA pet insurance](#) covers "curable" pre-