

FOR IMMEDIATE RELEASE

CONTACT:

**Karen E. Felsted, CPA, MS, DVM,
CVPM**

(847) 925-1230 (office)

(310) 694-6161 (mobile)

kfelsted@ncvei.org

**Brakke Consulting Study Commissioned by NCVEI
*Pet Insurance Position Paper Offers Objective Overview***

Chicago (Jan. 19, 2009) — The National Commission on Veterinary Economic Issues (NCVEI) today released the first in a series of position papers concerning significant business and economic issues facing the veterinary profession. As pet health insurance gains wider acceptance among U.S. pet owners, the need for an objective overview of pet insurance and increased education of veterinarians and their staff has grown significantly.

In a landmark user guide published for distribution at the 2009 North American Veterinary Conference, the Brakke Veterinary Practice Management Group concludes that there is a beneficial economic impact of an insured clientele. The paper, “A Veterinarian’s Guide to Pet Health Insurance,” provides a well-balanced overview of the pet health insurance industry, explains benefits pet health insurance can bring to a practice, and gives tips for proactively promoting the use of pet health insurance among clients.

“Pet health insurance information, whether on the Internet or in a brochure, is often directed to the consumer and/or created to sell a particular policy,” said Dr. Karen E. Felsted, CEO, NCVEI. “We wanted to take an objective look at the topic and give veterinarians the information they need to evaluate the growing pet health insurance industry.”

The 8-page guide is the first of its kind for veterinarians and arrives in response to the recent and rapid growth of the pet insurance industry, which demonstrated a 20 percent annual growth rate from 2003 to 2007, with total growth at 107 percent. At the same time, the number of companies offering pet insurance increased from three to as many as 10. Estimates place the number of insured pets in North America near 850,000. This rapid growth means more pet insurance literature in veterinary hospital reception areas and more questions for veterinarians and their staff.

Despite the increase, insured pets still represent a small minority of the total U.S. pet population. The guide contends that one inhibiting factor to the growth of pet insurance is a prevailing fear among veterinarians that widespread use of insurance will result in a managed care system. To address these issues, the paper outlines the differences between the managed care model of human health insurance and the indemnity model of pet health insurance.

“While pet insurance doesn’t have the “managed care” problems that human insurance does, there is some similarity between dental insurance and pet insurance. Numerous studies have shown that those with dental insurance spend more annually on dental care than those without insurance,” said Felsted. “Research on the veterinary side also indicates a similar spending increase for those with pet health insurance, as well as increased engagement in their pets’ overall health. Since the recommendation of a veterinary professional is often a deciding factor for those considering a pet health insurance policy, we believe this guide gives veterinarians the tools they need to understand pet insurance and its place in helping clients provide a high level of care for their pets.”

An electronic copy of the study can be found online at: <http://ncvei.org/resources.aspx>.

About NCVEI

NCVEI’s mission is to improve the economic base of the veterinary profession, ensuring that the delivery of veterinary care and service meets the needs of society. The organization is a joint venture of the American Veterinary Medical Association, American Animal Hospital Association, and Association of American Veterinary Medical Colleges. The NCVEI is sponsored by Bayer Animal Health, Hills Pet Nutrition, Merial, Veterinary Pet Insurance, Fort Dodge Animal Health, CareCredit and the Simmons Educational Foundation.

###