



VETERINARY PET INSURANCE FACT SHEET

HISTORY AND BACKGROUND

The concept of pet insurance began more than 30 years ago in Europe. Approximately 12 percent of pet owners have insurance in England and 49 percent have insurance in Sweden, according to Packaged Facts (2003).

Veterinary Pet Insurance Company (VPI) was founded in 1980. The company sold its first policy in 1982 and has been protecting America's pets ever since.

Today, VPI is the nation's oldest and largest licensed health insurance plan for pets.

The VPI Superior, VPI Standard and VPI Avian & Exotic Pet Plans are available in all 50 states and the District of Columbia.

Policies in California are underwritten by Veterinary Pet Insurance Company in Brea, California. Outside California, policies are underwritten by National Casualty Company, an A+ 15 rated company in Madison, Wisconsin.

Veterinary Pet Insurance Company and DVM Insurance Agency (jointly "VPI"), is an SEC reporting company whose stock is privately held. Many of its shareholders are independent veterinarians.

Veterinary Pet Insurance is headquartered in Brea, California. Scottsdale Insurance Company, a subsidiary of Nationwide Mutual Insurance, holds a majority interest in the company. The Iams Company, a subsidiary of P&G, also owns approximately 9 percent of the company.

PURPOSE AND MISSION

Founded to end economic euthanasia, Veterinary Pet Insurance is dedicated to helping pet owners provide the best medical care for their pets.

Veterinary Pet Insurance's overall mission is to make the miracles of veterinary medicine affordable for all pet owners.

COVERAGE

VPI policies help pay for medical problems and conditions related to accidental injuries, poisonings and illnesses (including cancer). It covers such things as diagnostic tests, x-rays, treatments, prescriptions, office calls, lab fees, surgeries and hospitalization.

Routine care coverage is available for dogs and cats (Vaccination & Routine Care Coverage); and birds (Avian Supplemental & Routine Care Coverage).

Policyholders can visit any licensed veterinarian, veterinary specialist or animal hospital in the world.

Policies cover:

Dogs	Rabbits
Cats	Iguanas
Birds	Sugar Gliders
Mice	Tortoises
Turtles	Gerbils
Lizards	Ferrets
Guinea Pigs	Small Chameleons
Geckos	Hamsters



Chinchillas	Potbellied Pigs
Rats	Hedgehogs
Snakes	Frogs

Age or Size requirement:

1. Dogs and cats age six weeks and older. (There is no upper age limit.)
2. Birds age three months and older. They must be in the owner's possession for a minimum of 60 days.
3. Rabbits, guinea pigs, snakes and other common exotic pets must be six weeks old.

PLAN OPTIONS

- Two accident and illness plans are offered for dogs and cats. While both provide the same coverage and carry the same per incident deductible, they differ in benefit schedule allowances, maximum amount allowed per year and premium amounts.
- The plans available are subject to the approval of the Department of Insurance and are signified by the filed rate year: 2002 Benefit Plans.
- Pet bird owners may also receive coverage for their feathered companions under the VPI Avian & Exotic Pet Plan.

2002 Benefit Plan Details

Plan Type	Annual Maximum	Per Incident Deductible
VPI Standard Plan	\$ 9,000	\$50
VPI Superior Plan	\$14,000	\$50
VPI Avian & Exotic Pet Plan	\$ 7,000	\$50

- The policy will pay 90 percent of the plan's Benefit Schedule Allowance, per incident, during each policy term after the deductible for eligible expenses.

MEDICAL CONDITIONS COVERED

From minor problems to life-threatening situations, VPI makes necessary care and sophisticated treatments more affordable. Thousands of medical problems and conditions are covered, including the examples shown below.

DOGS	
<ul style="list-style-type: none"> • Ear infections • Skin rashes • Accidents (lacerations, poisonings, fractures, sprains, wounds) • Gastrointestinal upsets causing diarrhea and/or vomiting • Cancer 	<ul style="list-style-type: none"> • Diabetes • Respiratory problems • Gastric torsion (bloat) • Heart conditions • Kidney and bladder infections • Parvovirus

CATS	
<ul style="list-style-type: none"> • Leukemia • Abscesses • Bladder infections and Feline Urological Syndrome (FUS) 	<ul style="list-style-type: none"> • Accidents • Cancer • Heart conditions (i.e. Cardiomyopathy) • Liver disease



BIRDS	
<ul style="list-style-type: none"> • Feather picking • Gastrointestinal problems • Respiratory problems 	<ul style="list-style-type: none"> • Vague illnesses • Accidents

RABBITS	
<ul style="list-style-type: none"> • Skin and respiratory problems • Gastroenteritis • Fractures 	<ul style="list-style-type: none"> • Eye and ear infections • Accidents • Hairballs

SNAKES	
<ul style="list-style-type: none"> • Mouth rot • Respiratory disease • Injuries from prey 	<ul style="list-style-type: none"> • Pneumonia • Spinal fractures

INDUSTRY INFORMATION

- Currently, there are more than 61 million dogs and 69 million cats in the U.S.
- There are more than 9,000 species of birds in the U.S. Approximately 300 of those are commonly kept as pets.
- More than 60 percent of U.S. households (58.2 million) own a cat or dog.
- There are more than 2 million pet rabbits in the U.S and 4.6 million households own birds.
- More than 91 percent of pet owners take their dogs and cats to the veterinarian for vaccination and preventive care.
- Avian care is increasing. In 1991, consumers spent \$37.7 million on veterinary medical expenditures for birds. By 2002, that number had grown to \$140 million.

(Source: 1996 AVMA Survey Data).

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