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Pet benefits on the rise

BY MONICA HATCHER

Dogs and cats are often another beloved family member -- the replacement children for empty nesters, the substitute kids for young couples and singles. Now you just might be able to add Spot onto your health insurance plan.

Several South Florida companies have begun offering pet health insurance in their voluntary benefit plans, including Office Depot, Terremark Worldwide and Doormark, a small company that manufactures cabinetry doors in Deerfield Beach. Others around the state make discounts available for sitting services or allow owners to bring pets to work for emergencies or special occasions like "Take Your Dog to Work Day."

Bill Gorman, group sales manager for Veterinary Pet Insurance, one of the country's largest pet insurers, said group sales had grown from 15 to more than 1,600 corporate accounts in the past decade. Business is also growing for VPI's largest competitor, Pethealth, a publicly traded company based in Canada, whose insurance revenue rose to \$4.3 million in the third quarter, up 13 percent from the year before.

HUGE POTENTIAL

There's plenty of room for growth. Only 2 percent of some 150 million companion dogs and cats in North America are insured, according to Pethealth. Gorman, whose privately-held company has 375,000 insurance customers and pays about a million claims a year, puts the number closer to 1 percent.

"Employers are looking for more voluntary benefits; part of that has to do with the rising medical costs," Gorman said.

As employers passed on more healthcare costs to employees, they also sought ways to soften the blow. In addition, he said, additional benefits help employers compete for top talent.

Terremark benefits administrator Carolina Suarez said the IT services company tries to offer new perks each year to its employees. After hearing complaints from pet lovers about the high cost of veterinary care two years ago, she began researching pet insurance. The last time she checked, at least 30 percent of employees had signed up.

GROUP SAVINGS

Terremark is a customer of VPI, which offers group discounts of about 5 percent on premiums. With VPI, employees pay premiums of between \$8 and \$30 a month and a \$50 deductible.

The insurance pays for 90 percent of expenses according to a fee schedule, up to \$14,000. Differing from human health insurance, beneficiaries pay out of pocket for care and are reimbursed. Similar to human health insurance, pet care doesn't cover preexisting conditions.

JR Mencarelli, human resources director for Doormark, said the cabinet door maker began offering pet benefits about four years ago. He has personally taken advantage of the insurance, which he said recently saved him thousands of dollars he would have paid for his Papillon to have bladder stones removed.

"I know it's important to me and my pet, and it was important to offer it to employees," Mencarelli said. "And it doesn't cost the company anything."

Office Depot, which also offers VPI, provides payroll deductions for the benefit. Melissa Perlman, a spokeswoman for Office Depot, said it demonstrated the company's commitment to helping its associates balance and blend working and living, or work-life issues.

That may be the biggest help to employees, since companies aren't spending much money on pet benefits themselves. Even though Americans will dish out more than \$40 billion this year on products, care and kenneling, only 1 percent of companies, for instance, pay for pet sitting when employees have to leave town for work, according to a 2007 benefits survey for the Society for Human Resource Management.

PET-FRIENDLY OFFICES

That same survey said about 6 percent of companies allowed employees to bring their pets to the workplace -- another no-cost or low-cost benefit.

Sarasota Memorial Health Care System advertises pet sitting through a company called FETCH! Employees get a 5 percent discount from the franchise for their first service visit.

Liz Parnes, who lives in Coral Gables and uses FETCH! pet home stay service when she leaves town, said she successfully asked her employer, IKON Office Solutions, to let employees know about the service. Her standard poodle, named Max, is almost like a child to her, she said.

'Employers are looking for things to make employees' family life balance with their work life. If it's work that requires extensive travel and they have child-care facilities, why wouldn't they offer a pet-care opportunity also?' Parnes said.

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