

How Pumpkin's pet insurance & preventive essentials provide value to pets, pet owners, and veterinary hospitals

"When a client has Pumpkin insurance for their pet, they tend to accept the first treatment plan that is presented to them rather than asking for other options due to cost."

- Veterinary Hospital, Chalfont, PA

AUTHORS:

Kennedy Mwacalimba
Zoetis Outcomes Research

Kes Gasiunas
Pumpkin

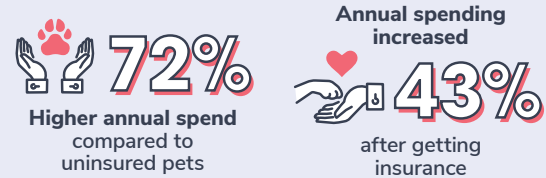
Summary of Findings

More Visits Per Year



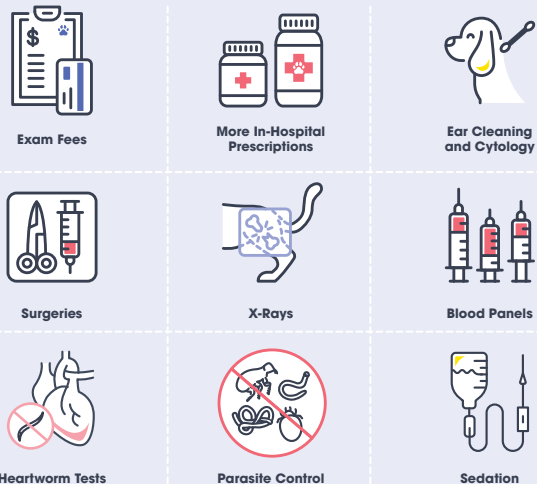
- Pets with Pumpkin visited their veterinarians 2.8 times per year compared to 2.3 times per year prior to these pets getting Pumpkin, which is a **22% increase**.
- **Pets with Pumpkin insurance visited their veterinarians 65% more times per year**, compared to 1.7 times for never-insured pets in this dataset.

Higher Annual Spend



- The calculated annual spend was \$559 per pet with Pumpkin insurance, compared to \$392 prior to these pets getting Pumpkin insurance, which is a **43% increase**.
- Pets with Pumpkin insurance had a **72% higher calculated annual spend**, compared to \$326 for never-insured pets.

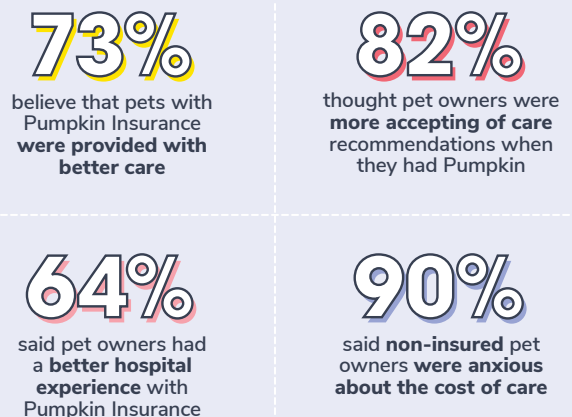
More Services & Diagnostics



- Pets with Pumpkin insurance had more exam fees, ear cleaning/cytology, surgeries, sedations, and in-hospital pharmacy transactions, compared to before these pets got Pumpkin.
- Pets with Pumpkin insurance also had more x-rays, blood panels, heartworm tests, and parasite control, compared to before these pets got Pumpkin.

Better Care & Client Experience

Based on veterinary team survey



- **73%** of surveyed veterinary team members believed that pets with Pumpkin were provided better care.
- **82%** thought pet owners were more accepting of care recommendations when they had Pumpkin.
- **64%** said pet owners had a better hospital experience.
- **90%** said non-insured pet owners were anxious about the cost of care.

1. Introduction

There is a strong association between how pet owners perceive their pets (as family members) and the likelihood of seeking and accepting veterinary care (Lue, Pantenburg and Crawford 2008).¹ However, the cost of veterinary care is a barrier for pet owner access and can lead to mistrust of veterinary teams (Coe, Adams and Bonnett 2007).² In human health, the presence of insurance has been demonstrated to change consumer behavior, including increasing visits to the doctor (Card, Dobkin and Maestas 2005).³ Similarly, in animal health, the American Veterinary Medical Association (AVMA) states that insured pets visit veterinary hospitals 50% more often than uninsured pets, with owners paying higher mean annual health care expenses per pet (\$324 per dog and \$264 per cat vs \$251 and \$146, respectively, for those without insurance) (American Veterinary Medical Association 2016).⁴

Pet health insurance trends suggest greater spending at veterinary hospitals for insured pets vs uninsured pets. Dog owners with insured pets are likely to spend an average of \$211 more a year for veterinary services compared to those with uninsured pets (North American Pet Health Insurance Association 2020).⁵ The aim of the current study was to define the value of Pumpkin Insurance and Preventive Essentials for the pet, the pet owner, and the veterinary practice.

2. Study Design

This was a retrospective descriptive study based on 396 transaction records of 71 dogs and 4 cats at 3 veterinary practices for the time period of 2019-2020. The 75 pets were observed as two separate groups:

- 28 pets insured with Pumpkin
 - 26 dogs, 2 cats
 - Weight range, 3.80-127.00 lbs (mean, 39.50 lbs)
- 47 never-insured pets
 - 45 dogs, 2 cats
 - Weight range, 2.80-113.10 lbs (mean, 31.83 lbs)

The objective of the study was to evaluate the impact of Pumpkin Pet Insurance and Preventive Essentials on:

- Number of hospital visits/year per pet
- Pet owner spend/year per pet
- Increase in service and product purchases
- Veterinary teams' perceptions of acceptance of care and hospital visit experience

All transactions assessed for the study evaluated the same patients' behavior prior to and during coverage with Pumpkin and compared it to the behavior of the never-insured control group.

A total of 95 pre-Pumpkin and 154 Pumpkin transactions (total pets: 28) and 147 never-insured transactions (total pets: 47) were included. An online survey was also completed by veterinary team members working at the participating practices. The questionnaire was completed using Qualtrics and consisted of 4 multiple choice questions with responses captured on a Likert scale, with free-text entries to capture rationales behind the responses provided. Up to 5 participants from each of the 3 practices with Pumpkin-insured pets were asked to complete the questionnaire. Eleven respondents completed the questionnaire. Data analysis was performed using Microsoft Excel to generate descriptive summary statistics. Qualitative survey data was analyzed thematically, drawing on the constant comparison techniques of grounded theory (Green and Thorogood 2009)⁶ to classify textual data.

3. Results

3.1. Pumpkin’s Pet Insurance and Preventive Essentials deliver value to pets, pet owners, and hospitals:

3.1.1. More visits created more opportunities to provide better care

The results showed that hospital visits increased after pets were covered by Pumpkin. The calculated average number of visits for pets with Pumpkin was 2.8 visits per year, compared to 2.3 visits per pet pre-Pumpkin. The calculated average number of visits for never-insured pets was 1.7 visits per year.

Pumpkin pets had 22% more visits per year compared to pre-Pumpkin and 65% more visits per year compared to never-insured pets in this study. Pets covered by Pumpkin had more veterinarian visits compared to never-insured pets and therefore, more opportunities to receive medical care.

3.1.2. More spending per visit suggests that clients chose the best treatment options presented

3.1.2.1. Annual spending

Pre-Pumpkin, the average calculated annual expenditure on veterinary care for pets in the study was \$391.53. Once these same pets were covered by Pumpkin, the annual expenditure increased by 43% to a calculated annual spend of \$558.73.

When compared to never-insured pets in the study (average calculated annual spend of \$325.55), pet owners with Pumpkin spent 72% (\$233) more with their veterinarian per year.

3.1.2.2. Per-visit spending

Data showed an increase in spending per visit for pets with Pumpkin. Pet owners spent an average of \$167 per pre-Pumpkin visit, which increased by 20% to \$201 per visit with Pumpkin. Pets with Pumpkin spent 7% more per visit compared to never-insured pets’ average spending of \$187.

Respondents indicated that this increased expenditure was likely the result of Pumpkin-insured pets receiving the best treatment options available.

	Never-Insured	Pre-Pumpkin	Pumpkin	Pumpkin vs Never-Insured	Pumpkin vs Pre-Pumpkin
Average Visits per Year	1.7	2.3	2.8	+65%	+22%
Average Spending per Visit	\$187.36	\$167.25	\$200.67	+7%	+20%
Average Spending per Year	\$325.55	\$391.53	\$558.73	+72%	+43%

3. Results

3.2. Hospital staff felt they were able to provide better care when pets were insured

The survey results showed that 73% of veterinary team members surveyed perceived that pets with Pumpkin received better care, suggesting that insurance may drive better health outcomes.

3.2.1. Clients were less likely to push back on the best treatment options

Eighty-two percent (82%) of veterinary team members believed pet owners with Pumpkin insurance were more accepting of the care options provided. When asked to elaborate, veterinary teams stated that there was less hesitation from pet owners to accept the highest quality care:

“Because there is less hesitation to give complete and proper care.” [Respondent 6].

“Owners that have their pets insured by Pumpkin treat their pets off of the veterinarian’s recommendation...” [Respondent 3].

3.2.2. More diagnostic procedures had positive impact on long-term care and quality of life

For pets that were insured, the data supported the positive impact on long-term care and quality of life. For instance, pets with Pumpkin had more exam fees, ear cleaning/cytology, surgeries, x-rays, blood panels, heartworm tests, parasite control, sedation, and in-hospital pharmacy fulfillment transactions than they did before having insurance. These transactions can be attributed to an increased standard of therapeutic and preventive care.

3.3. Value to pet owners: Pumpkin helped owners provide high-quality care for their pets

3.3.1. Clients had peace of mind that insurance would help provide the best care if a pet became sick or injured

The survey results and qualitative data analysis showed that having Pumpkin gave pet owners peace of mind because they did not have to worry about the cost of care. As one respondent put it, *“Owners are more willing to bring their pet in, so concerns aren’t overlooked. If their pet gets sick, they don’t have to worry about costs of treatment.”* As stated by another respondent, *“Cost was never an issue because they have peace of mind knowing that their pet will be taken care of and they will be reimbursed for treatment.”*

3.3.2. During care conversations, clients were less anxious about the cost of treatment options

From the perspective of surveyed veterinary team members, having insurance provided peace of mind for pet owners regarding the cost of care. According to one respondent, *“when a client has Pumpkin insurance for their pet, they tend to accept the first treatment plan that is presented to them rather than asking for other options due to cost.”*



3. Results

3.4. Value to hospitals: Healthier pets. Stronger practices

3.4.1. Healthier pets: More visits, higher spending per visit, and more wellness benefits provided better care and quality of life

Pumpkin insurance helped hospitals focus on the highest quality of care and what was best for pets. Providing the best standard of care is likely to lead to better health outcomes and healthier pets overall.

3.4.2. Stronger practices

3.4.2.1. Significant revenue impact:

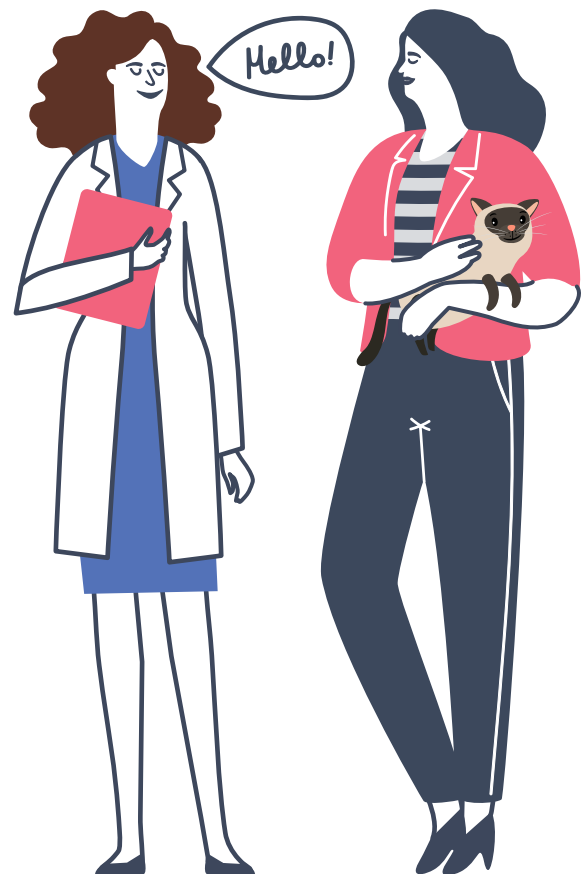
- 65% more annual visits compared to never-insured
- 72% more annual spending compared to never-insured

3.4.2.2. Reduced compassion fatigue

One study demonstrated that the monetary aspects of veterinary care pose barriers and challenges for veterinarians and pet owners (Coe, Adams and Bonnett 2007).² In another study, based on a cross-sectional survey of 1,122 small animal practitioners in the United States and Canada, 57% of practitioners believed that client economic limitations affected their ability to provide the desired care for their patients on a daily basis, and 49% of respondents cited client economic limitations as an important contributing factor to burnout. That study further stated that most respondents felt improved client awareness of veterinary costs and pet health insurance would positively affect patient care and client and veterinarian satisfaction (Kipperman, Kass and Rishniw 2017).⁷ Our study suggests a positive relationship between having insurance and mitigating the cost-of-care discussion.

3.5. Pumpkin helped decrease conversations about cost, thus alleviating stressors around care affordability

Cost-of-care discussions with pet owners are a major barrier to access to care (Card, Dobkin and Maestas 2005, Lue, Pantenburg and Crawford 2008).^{1,3} This was reflected in the current study, as suggested by the following quote, “a majority of the questions that come to us in regards to the care for clients’ pets is the cost. I believe a lot of people stress about funds, especially in these unprecedented times.” [Respondent 9; “unprecedented times” referred to COVID-19 lockdowns.] In our study, the need for these discussions was limited, providing potential value to the veterinary team.



4. Improved Client (Pet Owner) Experience

4.1. Clients with Pumpkin were more satisfied with their hospital visits

Sixty-four percent (64%) of veterinary team members believed that pet owners had a better hospital visit experience when covered by Pumpkin as demonstrated by the following responses:

“...in the means of being able to afford care for their pet or not having to worry about finances as much, I believe that they do have a better experience.”

“(don’t have to) worry so much about the cost of services and know they will be reimbursed for a large portion of the visit, which would make it less stressful.”

“... they don’t have to face such tough financial choices”

4.2. Higher acceptance of veterinary recommendations

Veterinary teams felt Pumpkin was associated with greater acceptance of veterinary recommendations. Pumpkin reduced concerns about cost, leading to higher spending per visit and higher calculated annual spending. There was also a marked difference (72%) in average calculated annual spending vs never-insured pets during the observation period.

4.3. Clients are more likely to be anxious when they don’t have pet insurance

Ninety percent (90%) of veterinary team members surveyed believed that pet owners whose pets were not insured were anxious about the cost of care, which was reflected in the following quotes: *“a majority of the questions that come to us in regards [to] the care for clients’ pets is the cost,”* and, *“money is a concern for a lot of our clients....”* Also, *“they always want to do what is best for their pet but they always want to know pricing before they agree to treatment or even bring their pets in for an appointment.”*

4.4. Clients are likely to stay with the same hospital when they are happy

The study by Kipperman et al (Kipperman, Kass and Rishniw 2017)⁷ provided compelling evidence that small animal practitioners feel that economic limitations of clients negatively affected their ability to provide quality patient care.⁷

Coe et al (Coe, Adams and Bonnett 2007)² found pet owners were suspicious about veterinary teams’ motivation for recommendations, perceiving that they receive more compensation for providing more care. This can lead to tension in the veterinary team-client relationship and reduced overall satisfaction and client retention over time. By mitigating the cost discussion, veterinarians can focus on educating clients as to the purpose and value of their recommendations in a manner that includes consideration of what is important and meaningful to each client, a core component of Pumpkin’s value proposition.



References:

1. Lue TW, Pantenburg DP, Crawford PM. Impact of the owner-pet and client-veterinarian bond on the care that pets receive. *J Am Vet Med Assoc.* 2008;232(4):531-540.
2. Coe JB, Adams CL, Bonnett BN. A focus group study of veterinarians' and pet owners' perceptions of the monetary aspects of veterinary care. *J Am Vet Med Assoc.* 2007;231(10):1510-1518.
3. Card, D, C Dobkin, and N Maestas. 2005. "The Impact of Nearly Universal Insurance Coverage on Health Care: Evidence from Medicare." *Am. Econ. Rev.* 2242-2258.
4. American Veterinary Medical Association. 2016. Insurers say pet care spending, visits increase with insurance. 28 September. Accessed February 10, 2021. <https://www.avma.org/javma-news/2016-10-15/insurers-say-pet-care-spending-visits-increase-insurance>.
5. North American Pet Health Insurance Association. 2020. Pet Insurance in North America. 26 May. Accessed February 10, 2021. <https://naphia.org/about-the-industry/>. 2020. Pet Insurance Offers the Potential of \$7 Billion More in Veterinary Spending Annually, New AVMA Study Finds. 14 July. Accessed February 10, 2021.
6. Green J, Thorogood N. Qualitative methods for health research. 2009: Sage, London.
7. Kipperman BS, Kass PH, Rishniw M. Factors that influence small animal veterinarians' opinions and actions regarding cost of care and effects of economic limitations on patient care and outcome and professional career satisfaction and burnout. *J Am Vet Med Assoc.* 2017;250(7):785-794.

Data on file. Study number 20SORINS-01-01, Zoetis Inc. Study included pets with Pumpkin insurance only and pets with Pumpkin insurance and optional Preventive Essentials package. Study participants were compensated for their time to gather patient data.

Pumpkin Pet Insurance policies do not cover pre-existing conditions. Waiting periods, annual deductible, co-insurance, benefit limits and exclusions may apply. For full terms, visit pumpkin.care/insurancepolicy. Products, discounts, and rates may vary and are subject to change. Insurance products are underwritten by either Independence American Insurance Company, a Delaware insurance company (NAIC #2658; Scottsdale, AZ), or United States Fire Insurance Company (NAIC #21113; Morristown, NJ); and are administered & produced by Pumpkin Insurance Services Inc. ("Pumpkin") (NPN #19084749; New York, NY; CA License #6001617). Please refer to your policy forms to determine your policy's underwriter. Pumpkin is a licensed insurance agency, not an insurer, and receives compensation based on the premiums for the insurance policies it sells.

Preventive Essentials is not an insurance policy, and is not available in all states. It is offered as an optional add-on non-insurance benefit. Pumpkin is responsible for the product and administration. For full terms, visit pumpkin.care/customeragreement.

For Pumpkin privacy policy, visit pumpkin.care/privacy-policy.

Zoetis Services LLC. is not an insurer or an insurance producer. This is an advertisement of: Pumpkin Insurance Services. Copyright © 2023 Pumpkin Insurance Services Inc. All rights reserved.
Our mailing address is: 432 Park Avenue South, Floor 12, New York, NY 10016. Form #100451. PUM-00044.