

# FAQ:

## Upcoming rate adjustments to Nationwide® My Pet Protection®



### Why are rates changing?

Rate increases are something we do not take lightly and only implement after we have exhausted all other options or when absolutely necessary. However, rising veterinary care costs have made it necessary for us to reassess pricing for My Pet Protection in some states.

The annual rate of inflation for veterinary services currently stands at nearly 8%. Additionally, pet owners are seeking care more frequently for their furry, winged and scaled family members, which is something we welcome as it means pets are getting the care they need.

Higher claim costs mean we need to adjust pricing in some areas to ensure we can continue offering these popular plans with an exceptional level of coverage.

Despite rate increases, My Pet Protection is still priced, on average, nearly 20% less than comparable consumer plans and provides unbeatable value.

### Why are you incorporating age and breed into your rates?

Careful study of our historical data has revealed that age and breed have a disproportionate impact on claims frequency and severity. This means that a relatively small group of members can drive up premiums for the whole. By adding age and breed rating factors to My Pet Protection, we will accurately price for higher-risk pets and, as a result, provide more affordable product options to the majority of pet owners.

### When will the rates change and who will be affected?

For those enrolling in pet insurance for the first time in affected states, the rate adjustment will be effective July 2021, and age and breed rating factors will begin to be incorporated into pricing in February 2022.

For members who are currently enrolled in affected states, the rate adjustment and new rating factors will be effective upon policy renewal.

While certain states may experience an increase in rates, others will either decrease or remain the same.

### What is not changing?

The majority of pets insured today will not see higher premiums at renewal. Additionally, My Pet Protection will continue to be guaranteed issuance for new policy enrollment, with the same great coverage. Pre-existing conditions will still be excluded from coverage, as per industry standard.

### Is this going to have a negative effect on the member experience?

We've designed our rating changes to be as minimally disruptive as possible to our customers and members. Still, we understand that some employees will see different rates from one quote to another over time or from their coworkers. While this might cause some short-term confusion, the long-term benefit of more precise rating will be lower prices for the majority of customers and fewer rate increases in the future. Ultimately, this will result in better member retention and more pets insured.

## Why is My Pet Protection still a differentiator or a better product in the marketplace?

My Pet Protection is available only through voluntary benefits packages and:

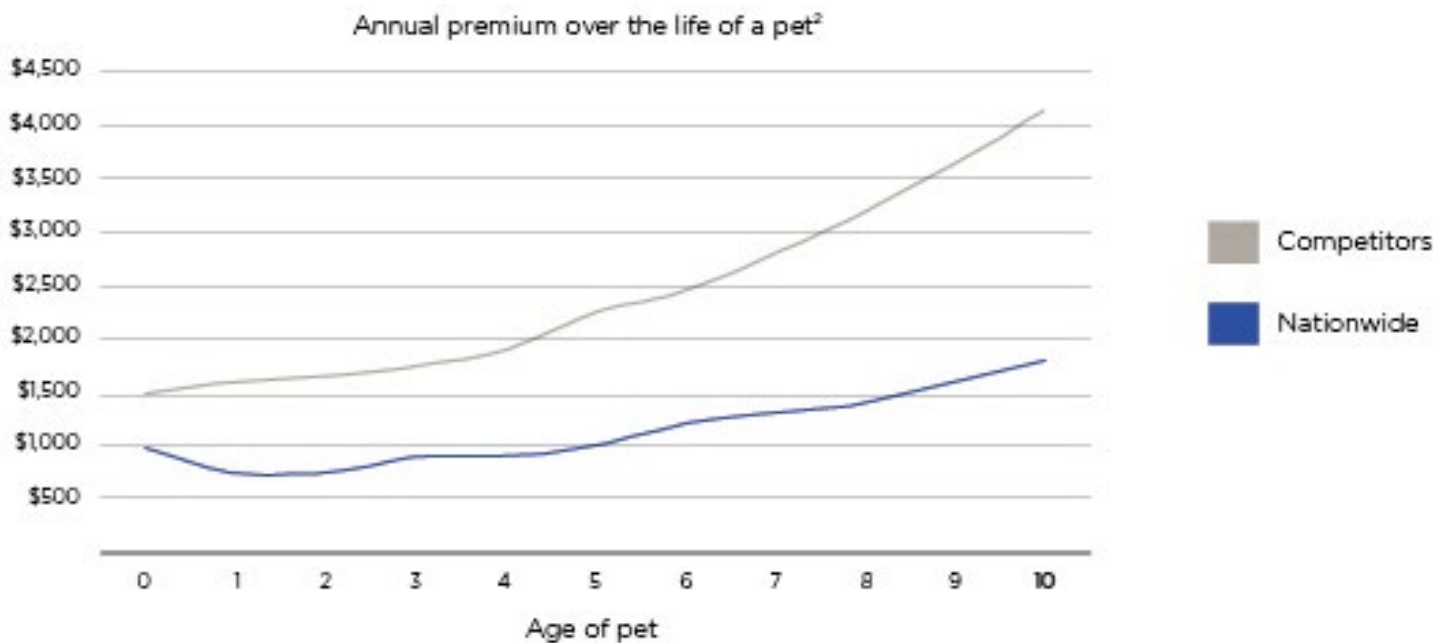
- Includes broad coverage with few exclusions
- Is guaranteed issuance for new policy enrollment (but with exclusions for pre-existing conditions)<sup>1</sup>
- Offers choice and price flexibility, with 50% and 70% reimbursement levels
- Allows members to use any vet anywhere, including specialists and emergency providers
- Provides additional benefits for emergency boarding and lost pet advertising
- Includes 24/7 access to **vethelpline**<sup>®</sup> (\$110 value)
- Nationwide<sup>®</sup> is the only insurer to offer coverage for avian and exotic pets

## How does My Pet Protection compare in pricing to similar plans from other providers?

My Pet Protection is still the most competitively priced on the market, as preferred pricing is built into these employee-exclusive plans.

## How does My Pet Protection compare to others over the lifetime of a pet?

Nationwide offers the highest lifetime value for pets and their owners. Competitors charge more than 50% more in premium over the life of a pet, while Nationwide is the only provider that actually decreases premium during a pet's adult years, when risk is low, and keeps premiums affordable in the later years of a pet's life.



Protect your pet today at [PetsNationwide.com](https://www.PetsNationwide.com)

<sup>1</sup>Some exclusions may apply. Certain coverages may be excluded due to pre-existing conditions. See policy documents for a complete list of exclusions. <sup>2</sup>Monthly insurance rates for a Labrador retriever with My Pet Protection. Sample pricing based on actual competitor data with prices reflecting 90% reimbursement model.

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