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PAWLICY ADVISOR × AAHA | STATE OF THE INDUSTRY

The Impact of Pet Insurance on U.S. Veterinary Practices in 2026

Insights from 451 veterinary professionals

Abstract

As veterinary practices across the United States strive to provide comprehensive, high-quality care, the impact of pet insurance on patient outcomes, client satisfaction, and practice health keeps growing. Pawlicy Advisor's State of the Industry data is compiled by Pawlicy Advisor and the American Animal Hospital Association (AAHA) from a survey of 451 veterinary professionals.

Pawlicy Advisor and AAHA run this industry-wide survey to gather key information about the real impact of pet insurance across U.S. veterinary practices. The data is aggregated and analyzed to produce the benchmarks and statistics in this report, now in its third edition (surveys fielded in 2023, 2025, and 2026), with year-over-year trends versus 2025 marked throughout. More than 1,500 veterinary professionals have taken the survey across the three editions.

AAHA The Standard of Veterinary Excellence®

Key Findings at a Glance

Six numbers that define the 2026 report. Each is unpacked, charted, and sourced in the sections that follow.

86%

of veterinary professionals adjust recommended treatment plans **every week** because of client cost concerns, an average of 5 times per week.

$1,000

is the tipping point: 85% of veterinary professionals see pet owners decline recommended care at price points of $1,000 or less.

13%

of euthanasia decisions, on average, are estimated to be driven by owners' inability to afford treatment.

87%

agree pet insurance helps clients say "yes" to more care, with overwhelming agreement in all three editions of this survey.

2x

the insured patients: practices that proactively recommend pet insurance report double the share of insured pets vs. practices that wait to be asked.

9x

more veterinary professionals say a **comparison marketplace with licensed experts** is the likeliest path to the right coverage than a single provider's brochure.

Table of Contents

Key Findings at a Glance 2

Introduction & Methodology 4

Financial Conversations With Clients 5

The Impact of Pet Insurance 9

Discussing Pet Insurance With Clients 14

What Practices Say Would Help 17

Conclusions & Strategic Recommendations 19

About Pawlicy Advisor 21

Introduction

Pawlicy Advisor is pleased to present the State of the Industry Report: The Impact of Pet Insurance on U.S. Veterinary Practices in 2026.

This year's data comes from **451 veterinary professionals**: veterinarians, medical directors, practice managers, technicians, and client service representatives. The objective of this report is to provide a better understanding of the real impact of pet insurance within the veterinary practice: the financial pressure inside the exam room, what coverage changes, and where the conversation between teams and clients breaks down.

DISCLAIMER: Pawlicy Advisor and the American Animal Hospital Association assume no liability of any kind regarding the information contained in the State of the Industry Report. The information in this report does not constitute investment, legal, accounting, or tax advice.

Methodology

Pawlicy Advisor conducted a comprehensive survey in conjunction with the American Animal Hospital Association (AAHA) to study the impact of pet insurance within veterinary practices. The survey ran from May 2026 until June 2026 and gathered a total of 451 respondents across a variety of roles and practice types.

Respondents include veterinarians and medical directors (40.6%), practice managers and administrators (39.5%), veterinary technicians (10.2%), client service representatives (3.2%), and non-veterinarian owners and other roles (6.5%). Two-thirds of respondents identifying an organization type work in independent hospitals (67.6%), with 29.1% in corporate practices.

The survey questions focused on understanding the financial conversations being had with clients, the impact of pet insurance, the conversations being had about pet insurance with clients. New this year: the price points at which care is declined, whether practices recommend proactively, and the resources that would help teams do so.

Reading the numbers. Percentages are calculated on respondents answering each question (sample sizes shown as N=). Multi-select questions are based on respondents making at least one selection. Averages for banded questions use band midpoints. Year-over-year comparisons reference the 2025 edition of this report (557 respondents, fielded February–March 2025). Group differences and correlations cited as statistically significant were tested with rank-based methods (Spearman, Mann-Whitney U, Kruskal-Wallis) at the 95% confidence level; correlation does not establish causation.

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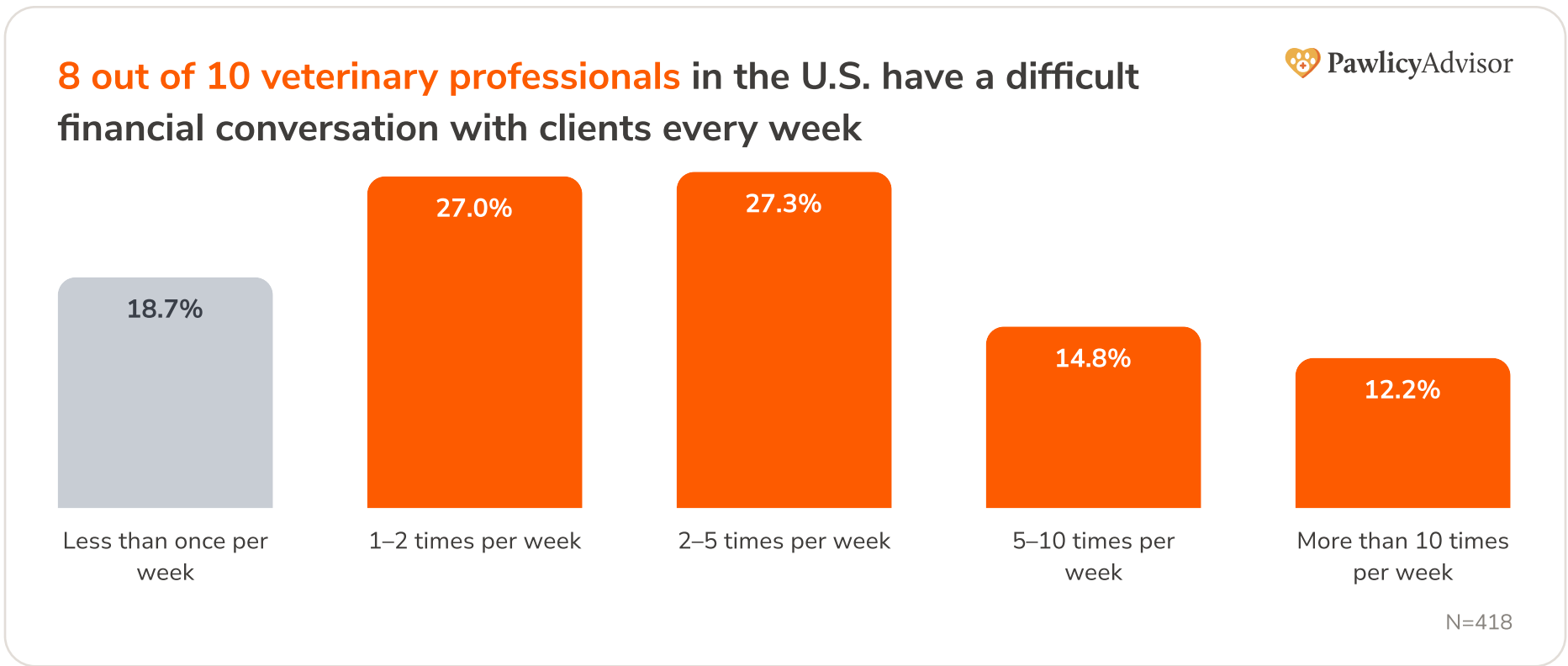
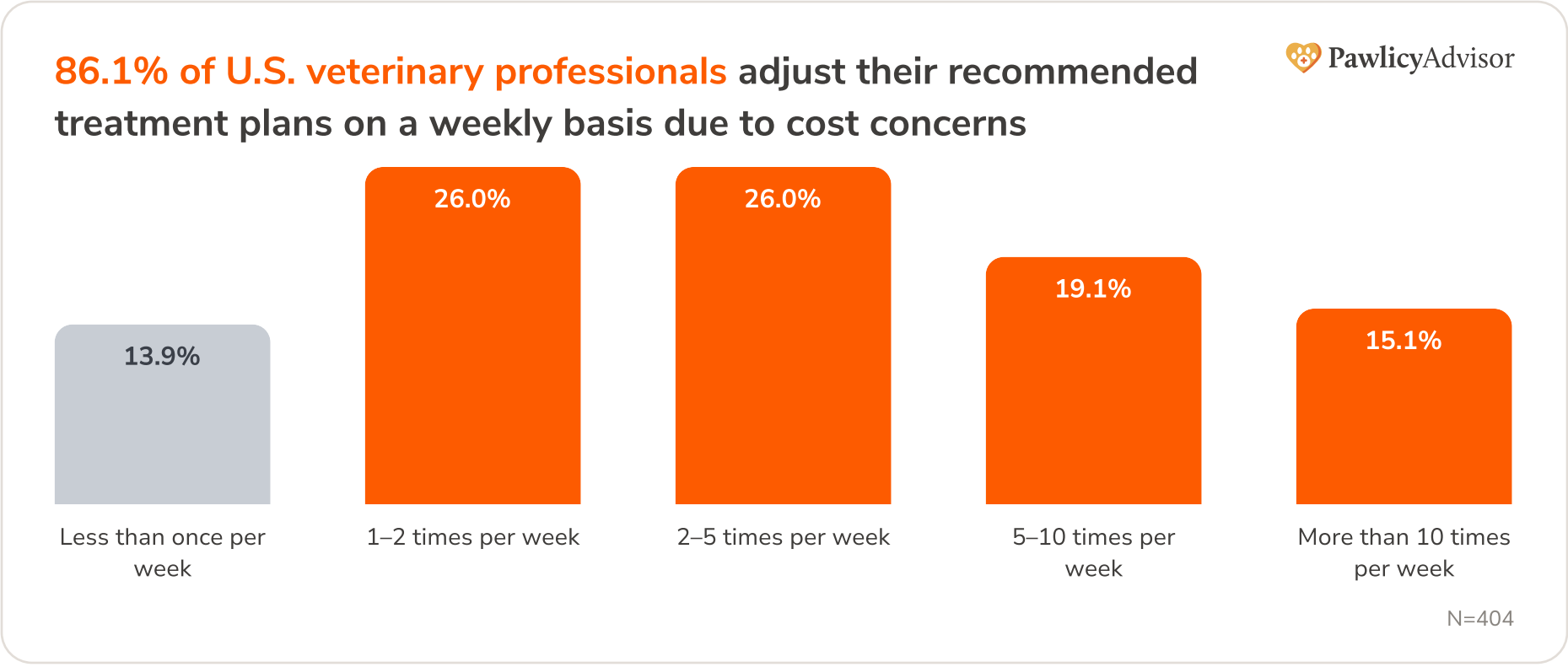
Financial Conversations With Clients

1. Frequency of Difficult Financial Conversations with Clients



- 8 out of 10 veterinary professionals (81.3%) have a difficult financial conversation with clients every week.
  2025: 8 in 10 (unchanged)
- More than a quarter (27.0%) have difficult financial conversations with clients 5 to 10 times per week or more.
  ▲ vs 23.5% in 2025
- On average, U.S. veterinary professionals have 4.4 difficult financial conversations with clients per week.
  ▲ vs 4 in 2025

2. Frequency of Adjusting Recommended Treatment Plans Due to Cost Concerns



- 86.1% of U.S. veterinary professionals adjust their recommended treatment plans on a weekly basis due to cost concerns from clients.

  ▲ vs 84.4% in 2025

- More than a third (34.2%) adjust their recommended treatment plans due to client cost concerns 5 to 10 times per week or more.

  ▲ vs 30.3% in 2025

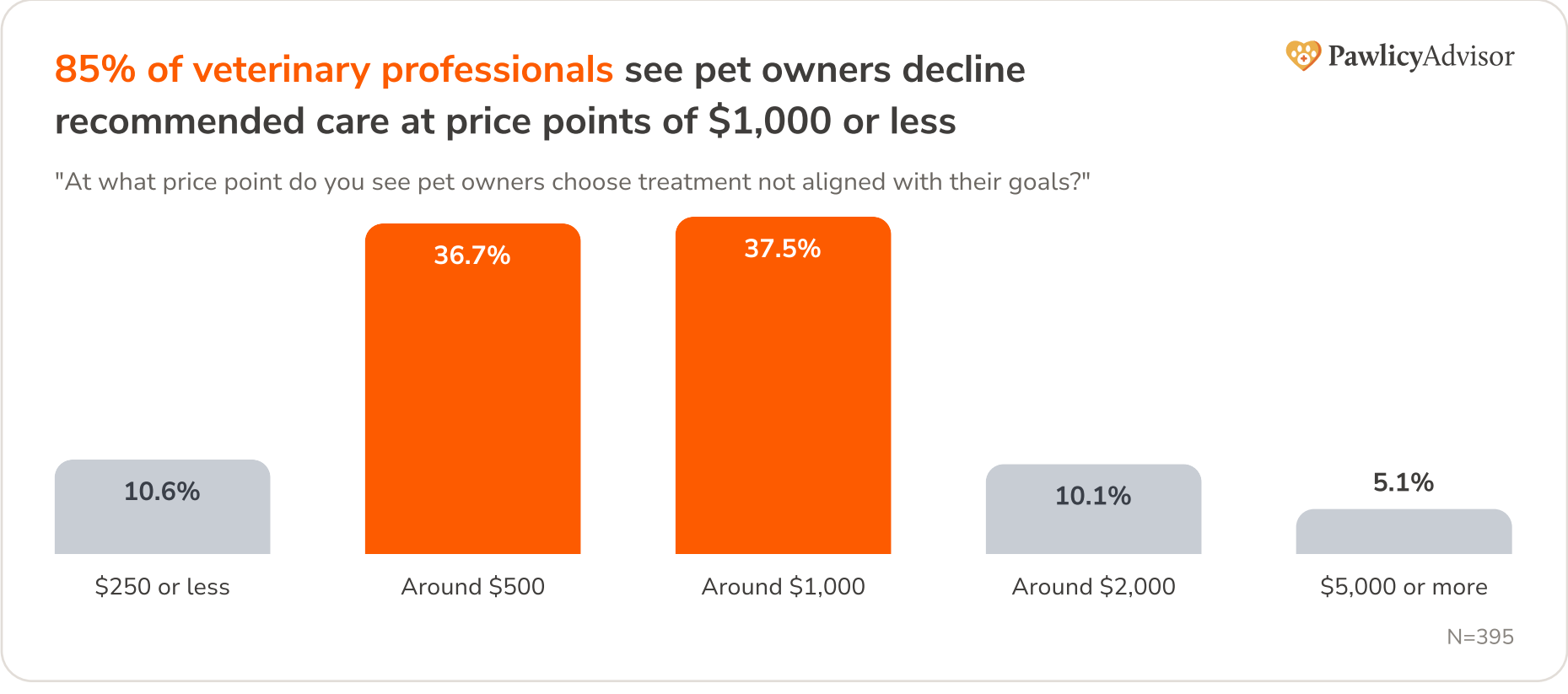
- On average, U.S. veterinary professionals adjust treatment plans due to cost 5.1 times per week.

  ▲ vs 4.7 in 2025

Nearly every day, veterinary teams are adjusting their own clinical recommendations and having difficult financial conversations because of cost. Both measures moved up again this year.

3. The Price Point Where Care Gets Declined NEW IN 2026

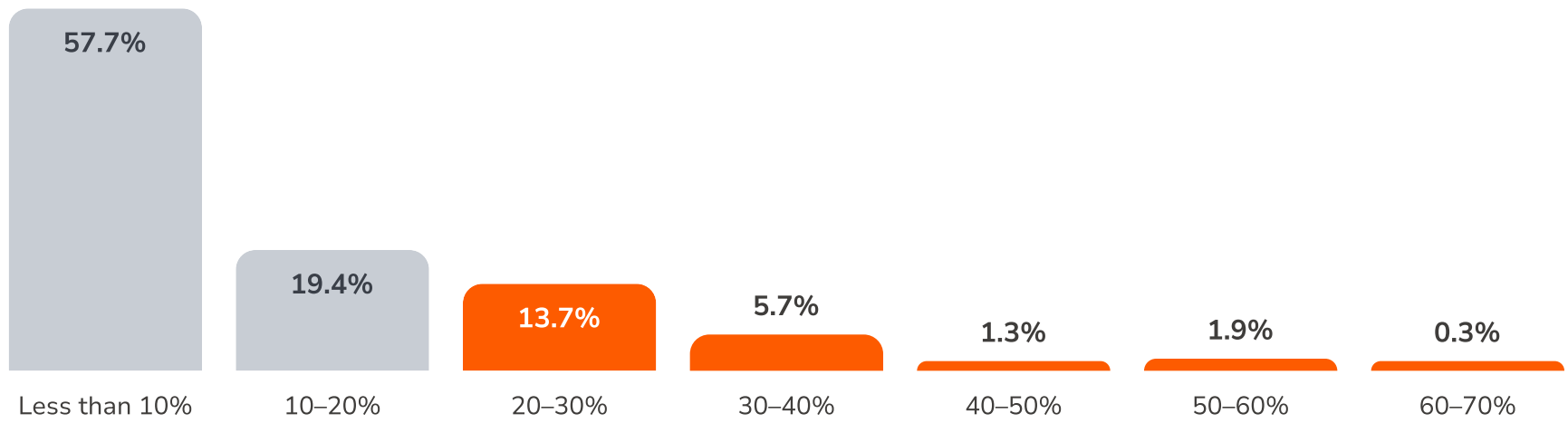
This year, we asked at what price point pet owners choose treatment that isn't aligned with their goals: the price where cost starts steering the plan.



- 85% see owners decline recommended care at $1,000 or less; nearly half (47.3%) see it at $500 or less.
- Nearly three-quarters of answers (74.2%) fall in the $500–$1,000 band: the cost of a mass removal surgery, toxin ingestion treatment, or basic ER visit.
- The care being declined is standard medicine priced above $500.

4. Percent of Euthanasia Decisions Due to Inability to Afford Treatment

Nearly 1 in 4 veterinary professionals report that 20% to 30% or more of euthanasia decisions are due to pet owners not being able to afford treatment



N=371

- On average, veterinary professionals estimate that **13% of euthanasia decisions** are driven by owners' inability to afford treatment.
- 42.3% put the figure at 10% or higher; nearly 1 in 4 (22.9%) put it at 20% or higher.

  2025: ~1 in 4 (unchanged)
- For nearly a quarter of practices, at least one euthanasia decision in five is financial rather than medical.

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The Impact of Pet Insurance

1. Percent of Pets Insured Within the Practice

More than 1 in 5 veterinary professionals report that over 10% of their patients are insured

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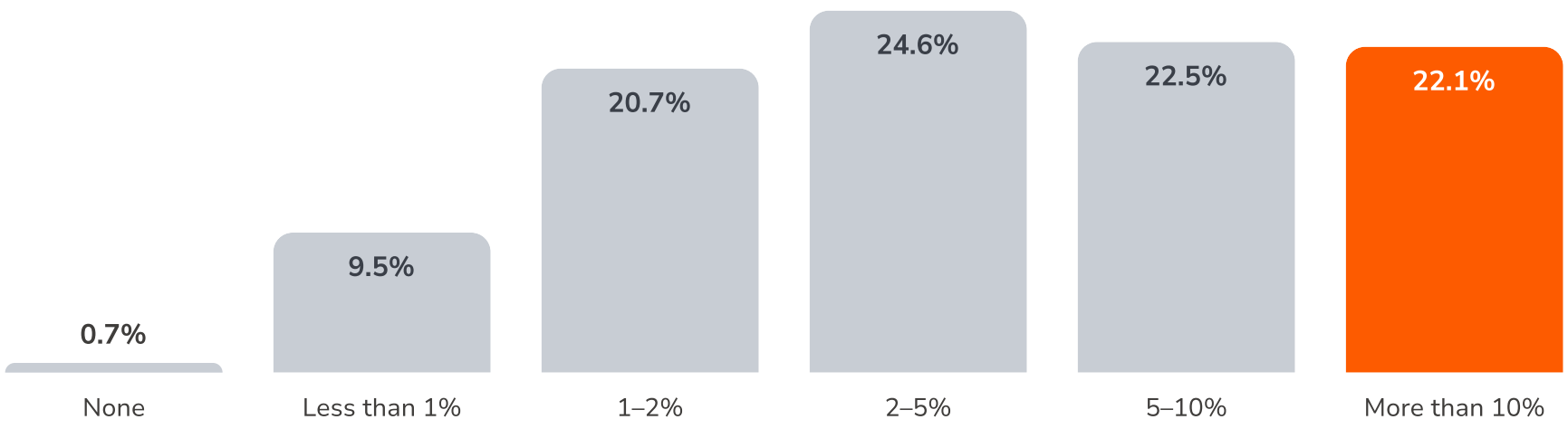


N=285

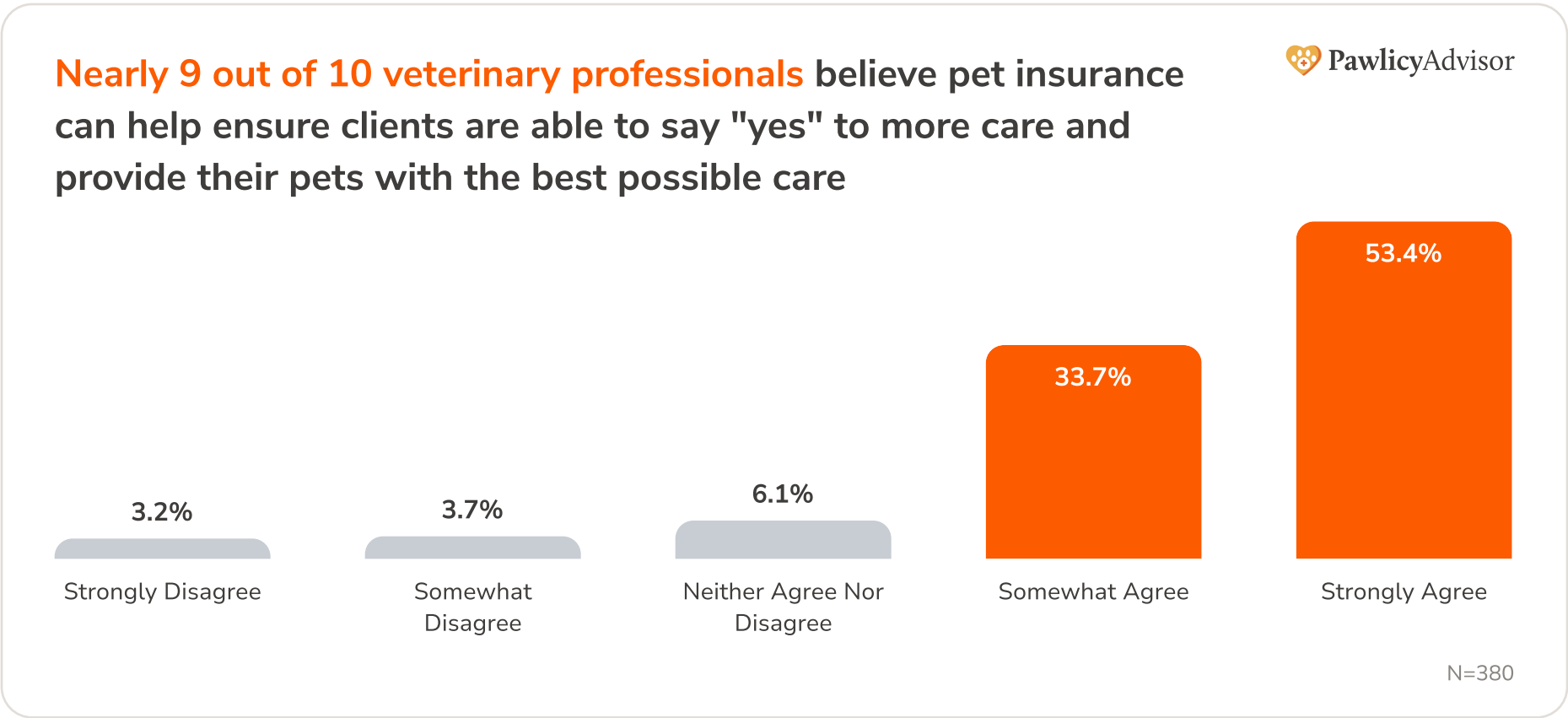
- 22.1% report more than 10% of patients insured (▲ vs ~20% in 2025) · 99.3% report a non-zero insured share (▲ vs 97.8%).

⚑ STATISTICALLY SIGNIFICANT FINDINGS

- **Practices with a higher share of insured pets adjust treatment plans less often for cost**, replicated again in 2026 (Spearman $\rho = -0.15$, $p = 0.010$, $N = 282$).
- **Practices that proactively recommend pet insurance report roughly double the insured share**: median 7.5% of patients vs. 3.5% at practices that only discuss it when asked ($p < 0.001$, $N = 274$).
- **The more often the team talks about insurance, the higher the insured share** ($\rho = +0.40$, $p < 0.001$), and practices with more insured patients rate insurance as more important ($\rho = +0.30$, $p < 0.001$).

Last year's second flagship finding (fewer cost-driven euthanasia decisions at higher insured shares) trends in the same direction in 2026 ($\rho = -0.11$) but falls just short of the 95% significance bar this year ($p = 0.06$). We report it as directional, not confirmed.

2. Pet Insurance Improves Client Ability to Say "Yes" to Care

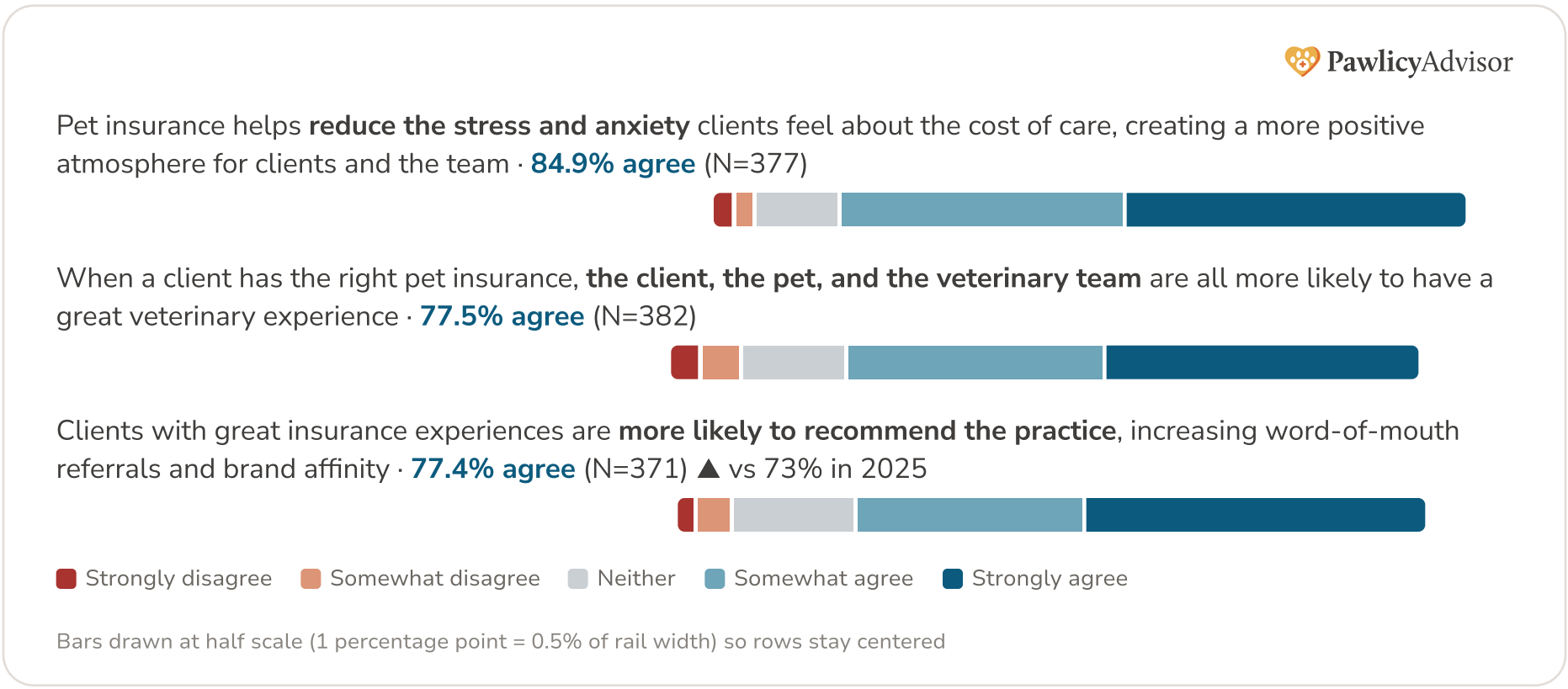


- 87.1% agree; more than half (53.4%) strongly.

Respondents have reflected overwhelming agreement on this statement in **every edition of this survey since 2023**.

3. Attitudes Toward Pet Insurance

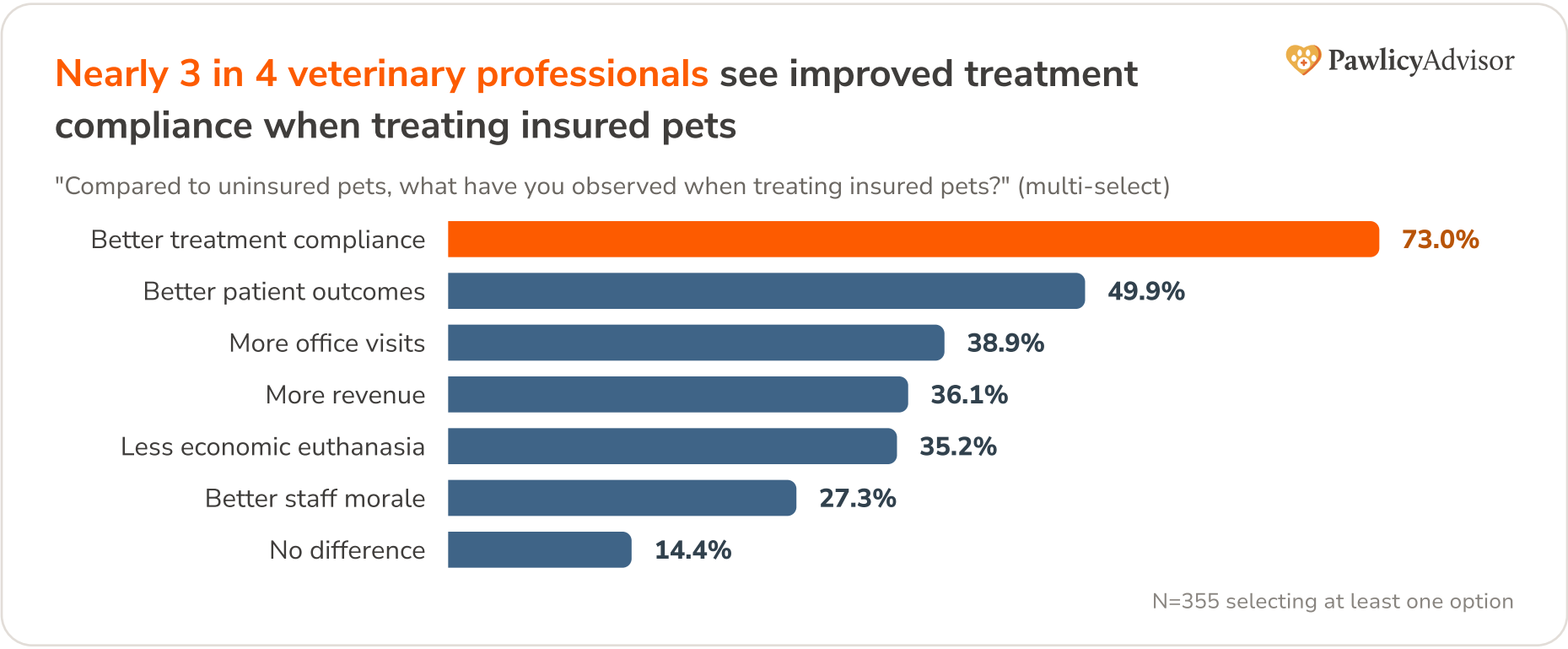
Each statement below shows the full distribution of agreement, centered on "neither agree nor disagree". The further right a bar sits, the stronger the agreement.



Belief in the **practice-growth link** is strengthening: agreement that great insurance experiences drive word-of-mouth referrals rose from 73% to 77.4% this year.

4. The Impact of Pet Insurance as Compared to Treating Uninsured Patients

Separate from beliefs, the survey asked what respondents have *observed* when treating insured pets compared to uninsured ones. The observed benefits rose across the board this year.

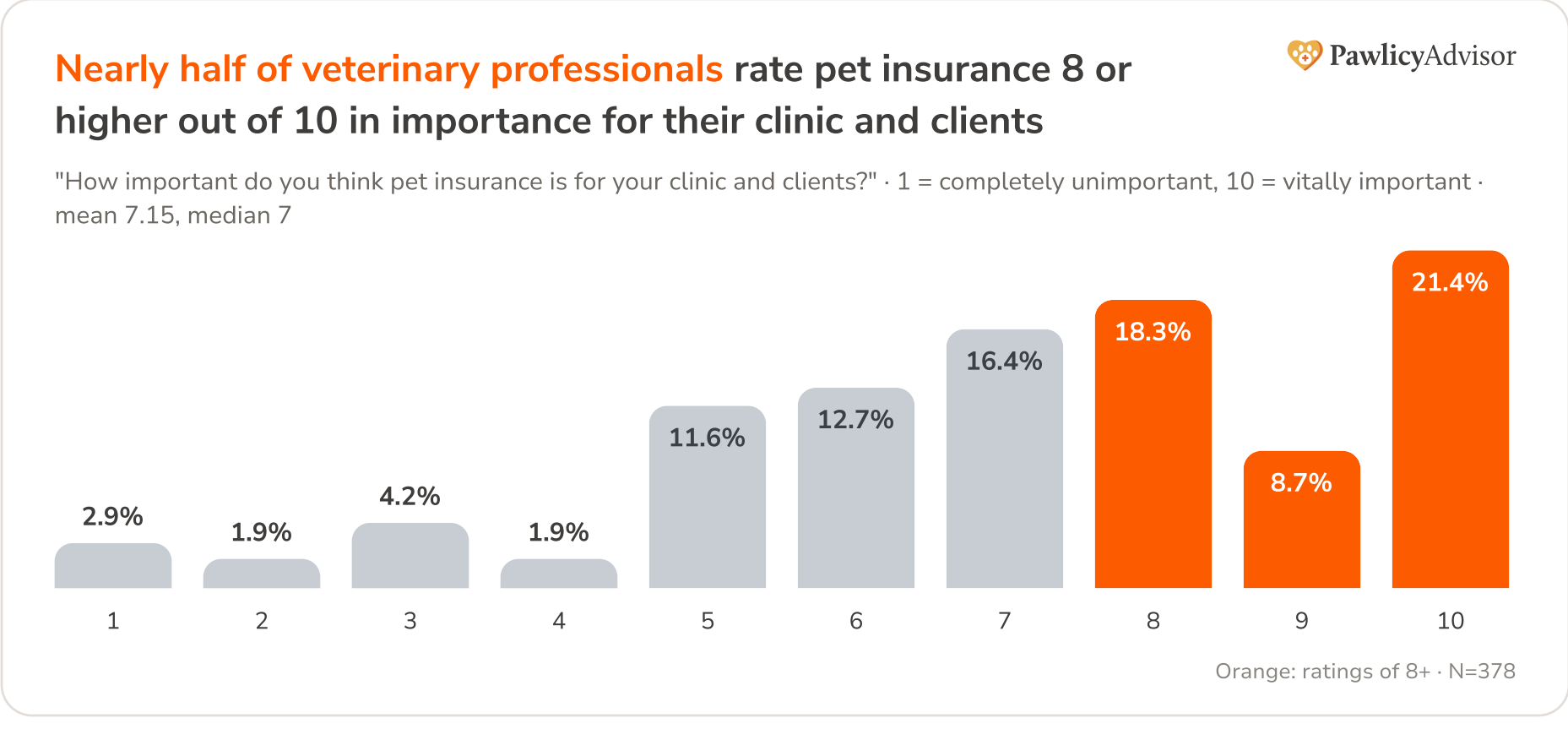


- Nearly 3 in 4 (73.0%) see improved treatment compliance.

  ▲ vs 68% in 2025

- Half (49.9%) see better patient outcomes (▲ vs 45% in 2025) · More than 1 in 3 (35.2%) see less economic euthanasia (▲ vs 30% in 2025).
- 6 in 7 (85.6%) have observed at least one positive difference, **the overwhelming majority in all three editions of this survey**.

5. Importance of Pet Insurance



- 48.4% of veterinary professionals rate pet insurance 8 or higher out of 10 in importance for their clinic and clients.

  2025: 48% (unchanged)

- 1 in 5 (21.4%) rate it a 10: vitally important, a game changer for their practice and/or a real difference in the execution of their business model.

  2025: 1 in 5 (unchanged)

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Discussing Pet Insurance With Clients

1. Frequency That Pet Insurance Discussions Are Happening with Clients

More than 1 in 3 veterinary teams talk about pet insurance with clients either often or all the time, which means 6 in 10 still don't

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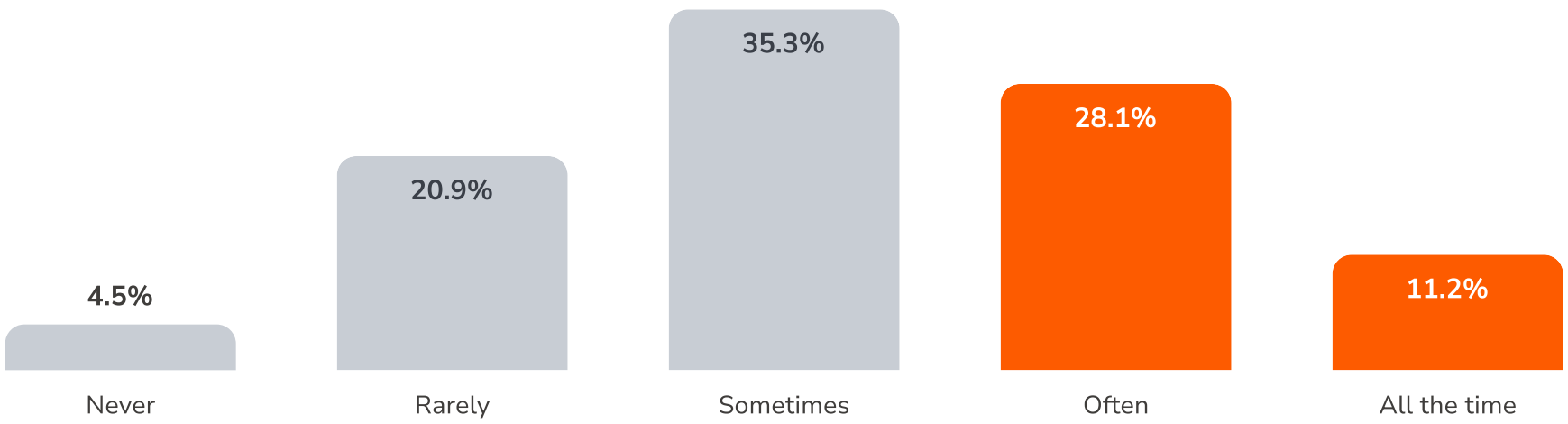


N=374

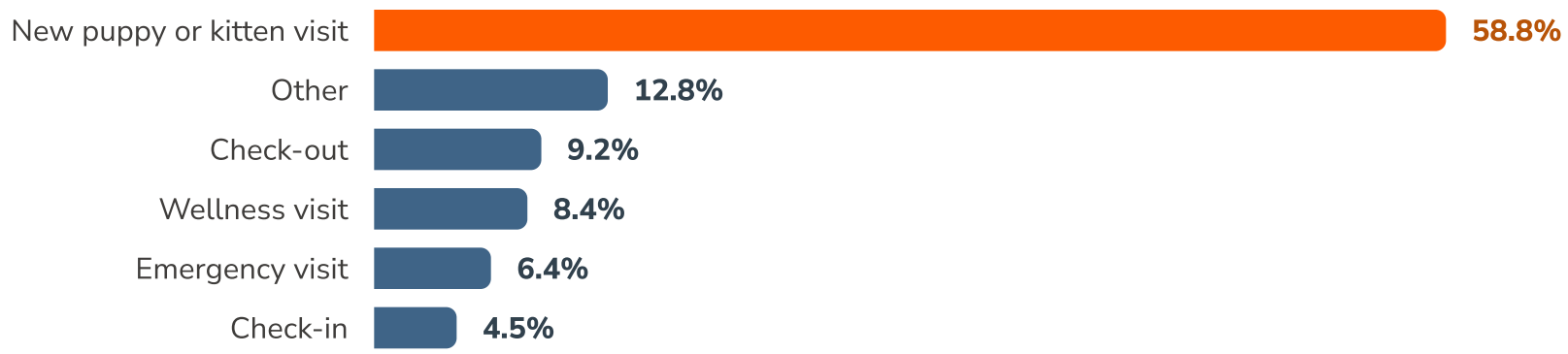
- 39.3% of teams discuss insurance often or all the time (2025: 38.2%, unchanged) · 48.2% of practices proactively recommend pet insurance; the slight majority (51.8%) only discuss it if the client asks. **NEW IN 2026**

2× the insured patients

Practices that proactively recommend pet insurance report a median insured share of **7.5%**, roughly double the **3.5%** at practices that wait for clients to ask (statistically significant, $p < 0.001$). No other split in the survey is this wide.

2. When the Pet Insurance Conversation Is Happening

More than half of veterinary professionals are most likely to talk about pet insurance at a new puppy or kitten visit



N=359 · ▼ vs 63.8% at puppy/kitten visits in 2025

3. Veterinary Team Members That Talk About Pet Insurance with Clients

4 in 10 veterinary teams see the pet insurance conversation as an all-staff team effort

Multi-select · N=357 selecting at least one

The conversation is migrating toward the **front desk**: front-office staff (32.5%) now edge out veterinarians (30.5%) and techs (27.5%) as the most-named role. Client-facing materials and front-desk workflows now carry more of it.

4. Navigating the Pet Insurance Conversation With Clients

7 in 10 veterinary professionals (69.6%) find difficulty in talking to clients about pet insurance

The most difficult aspect, among the 69.6% who report difficulty

N=256 · write-in "Other" answers cluster around not understanding plans, seeing patients too late (ER/specialty), coverage-limit distrust, and cost

Time has overtaken uncertainty as the top barrier. "No time to discuss it" is the #1 difficulty in 2026; last year it was "not sure who to recommend."

5. The Liability of Recommending One Specific Insurer

8 in 10

(79.3%) are **not comfortable recommending only one specific pet insurance provider**, given the legal risks of not having an insurance license.

2025: 80.3% (unchanged)

1.4%

hold a **P&C insurance license**, the credential that soliciting for a specific insurer legally requires. Fewer than 2 in 100.

The profession's instincts here are sound. Recommending a specific carrier without a license is a legal risk almost no veterinary professional is positioned to take. The compliant path is referral to a **licensed brokerage like Pawlicy Advisor**, where licensed experts handle the comparison and the recommendation.

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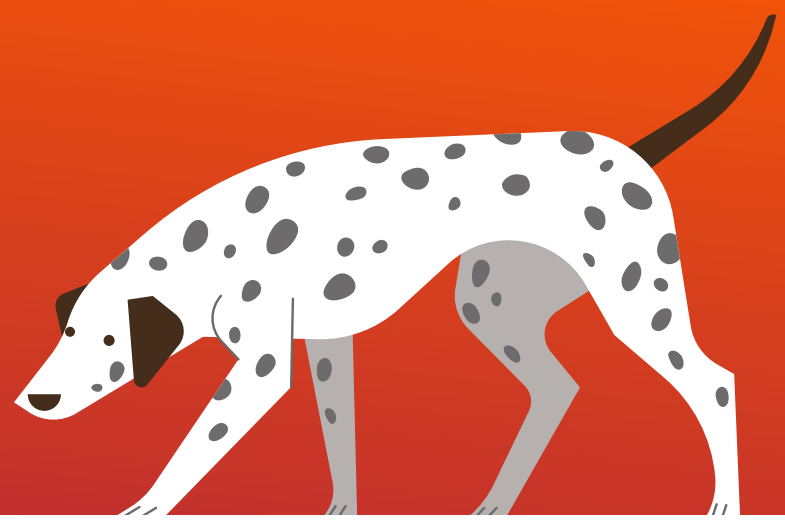
What Practices Say Would Help



This year, the survey asked what it would take for practices to recommend pet insurance proactively, and which kind of guidance gets clients to the right coverage.

1. The Guidance Practices Trust

60.5% of veterinary professionals believe a comparison marketplace staffed by licensed experts is most likely to lead to clients getting the right coverage. That is 9× the share who say a single provider's brochure

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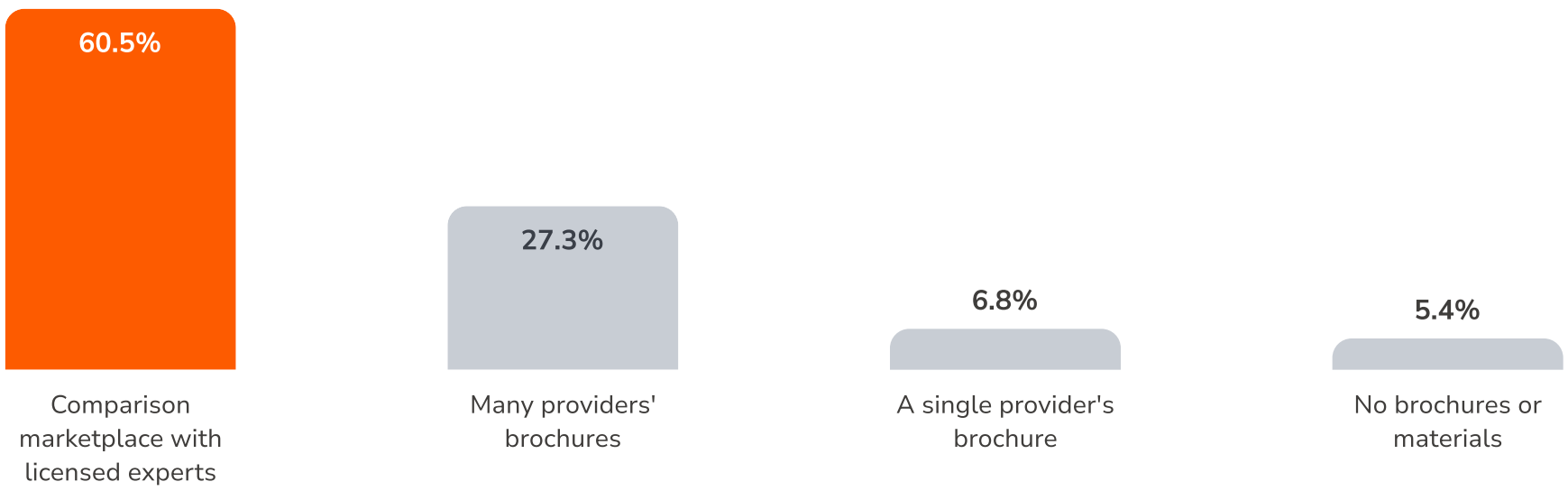
"Which do you believe is most likely to lead to clients getting the right coverage for their unique pet?"



N=352

57%

are interested in **free resources from an independent, AAHA-recommended pet insurance marketplace**. Pawlicy Advisor operates exactly that model for veterinary teams at no cost. (N=364)

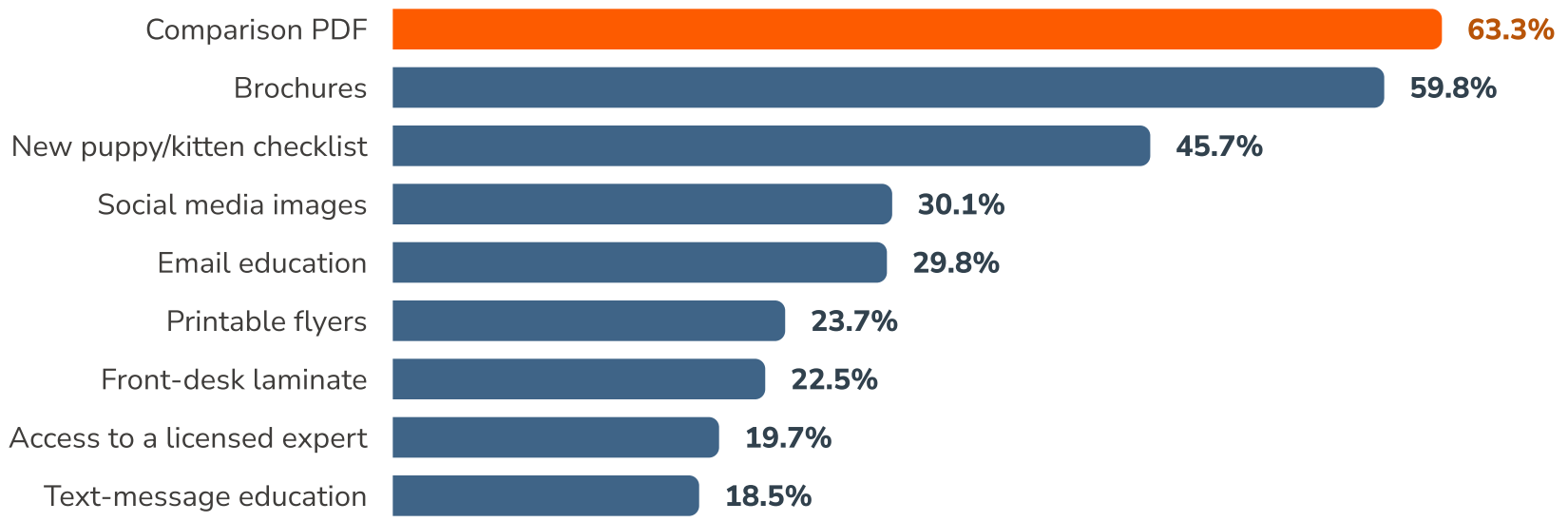
9×

more professionals trust a **licensed comparison marketplace** (60.5%) than a single provider's brochure (6.8%) to get clients the right coverage.

2. The Resources Teams Actually Want

A side-by-side comparison clients can hold is the most-requested client-education resource

"Which pet insurance resource(s) for client education would be ideal for your practice?" (multi-select)



N=346 selecting at least one

3. In Their Own Words

What would it take to recommend proactively?

Top themes, N=142 answers

1. Less paperwork, simpler process, pay-at-service · **17.6%**
2. Staff training & education · **16.9%**
3. More affordable plans, better coverage · **13.4%**
4. A single trusted partner & client materials · **7.7%**
5. More staff and more time · **7.7%**

What should non-recommending teams understand?

Top themes, N=119 answers

1. It removes financial barriers, clients approve care · **32.8%**
2. It improves patient care and saves lives · **16.8%**
3. Enroll early, before pre-existing conditions · **13.4%**
4. Clients need education, options & resources · **12.6%**
5. It's advocacy, not a sales pitch · **5.9%**

Across both lists, teams are asking for a faster way to raise the subject and cover on compliance.

Conclusions

When this survey first ran in 2023, it measured a shift in belief: pet insurance was moving from fringe benefit toward a cornerstone of modern veterinary care. Three editions later, that belief is settled. The remaining gap is operational. The 2026 data sharpens last year's three truths:

1. Financial friction is rising, and it dictates medicine daily

- Every affordability measure declined this year: average difficult money conversations rose from 4 to 4.4 per week, cost-driven plan adjustments from 4.7 to 5.1, and the share adjusting plans 5+ times a week grew from 30.3% to 34.2%.
- Care starts being declined at $1,000 or less for 85% of practices, and 13% of euthanasia decisions are, on average, financial.

Takeaway: Without a buffer, cost keeps overriding clinical judgment, nearly every day, in nearly every practice.

2. Insurance keeps changing the practice equation

- Observed benefits rose across the board: better compliance (68% → 73%), better outcomes (45% → 50%), less economic euthanasia (30% → 35%). 6 in 7 professionals have observed at least one positive difference.
- The statistical link between insured share and fewer cost-driven plan adjustments replicated for a second year, and proactive practices report double the insured share.

Takeaway: The right pet insurance lets owners say "yes" to optimal care — lifting patient health, client experience, and practice revenue together.

3. Proactively driving the conversation is the industry's biggest untapped lever

- Less than half of practices (48.2%) recommend pet insurance proactively; many wait for pet owners to ask. Yet proactive practices report double the insured share. There's a clear opportunity in shifting toward more proactive conversations.
- When veterinary teams are talking about it, regulatory constraints remain top of mind: 8 in 10 professionals don't feel comfortable recommending a single insurer, given the liability of not holding an insurance license. Only 1.4% hold the license doing so requires.

Takeaway: Adoption grows when the conversation gets faster and ends in a compliant referral. 60.5% of professionals agreed on the answer: an independent comparison marketplace with licensed experts.

Strategic Recommendations

1. **Track your percentage of insured pets** the way you track preventive-care uptake. It correlates with fewer cost compromises, and you can't grow what you don't measure.
2. **Standardize the conversation at first-visit touchpoints.** 59% of teams already anchor it to puppy/kitten visits; give that moment a script and a handout so it happens every time.
3. **Make it a whole-team play, especially the front desk.** All-staff practices are now the plurality (39.5%), and front-office staff have become the most-named role in the conversation. Equip CSRs as well as doctors.
4. **Solve the time problem.** The #1 barrier is now "no time to discuss." The three most-requested resources (a comparison PDF, brochures, a new-pet checklist) are all grab-and-go, and they turn a 10-minute explanation into a 30-second handoff.
5. **Refer the comparison to licensed experts.** Pointing clients to an independent, licensed marketplace like Pawlicy Advisor keeps the practice inside legal bounds and answers "which one?" objectively. It is also the model 60.5% of veterinary professionals say is most likely to get clients to the right coverage.
6. **Pair insurance with financing for the reimbursement gap.** Credit-based options, payment plans, and charitable funds complement insurance by covering upfront costs while claims process.

Pet insurance adoption is still in its early innings, yet its clinical and commercial upside is clear. Practices that move from passive endorsement to proactive, structured integration will safeguard patients and future-proof their businesses (and their clients) against rising costs.

Pawlicy Advisor and AAHA will continue to track these trends; we invite every hospital to participate in next year's survey and help drive the profession toward better care experiences.

About Pawlicy Advisor

Pawlicy Advisor is the #1 pet insurance marketplace and comparison platform committed to helping pet owners find the right pet insurance for their unique pet and helping veterinary teams deliver better care to more patients. Pawlicy Advisor is recommended by the American Animal Hospital Association and offers a free solution that streamlines client education and discovery of pet insurance products with objective, data-driven recommendations based on the unique information of each individual pet — helping over 1 million pet owners find the best pet insurance for their coverage needs. Pawlicy Advisor is a licensed insurance marketplace and brokerage, not an insurer.

Visit **pawlicy.com/vet** to learn more about Pawlicy's free resources loved by vet teams nationwide.

About AAHA

Since 1933, the American Animal Hospital Association has been dedicated to improving the lives of pets, the people who care for them, and the veterinary professionals who serve them. AAHA is the only organization that accredits veterinary hospitals in North America, setting hundreds of rigorous standards for high-quality medicine and compassionate care. Because accreditation in veterinary medicine is voluntary, the AAHA-accredited logo is the most reliable indicator that a hospital has undergone independent evaluation. Today, AAHA is building on that foundation to become the most trusted and connected platform in animal health, bringing together all parts of the pet care ecosystem to strengthen the systems of excellent care.

Look for the AAHA-accredited logo at your local hospital or find an accredited hospital near you today at **aaha.org**.

Suggested citation: Pawlicy Advisor & American Animal Hospital Association, "State of the Industry: The Impact of Pet Insurance on U.S. Veterinary Practices" (2026). Full report: www.pawlicy.com/pet-insurance-impact-on-veterinary-practices-report