

THE INS AND OUTS OF PET INSURANCE

By Anna Dunlop

Why are so few pet owners insuring their animals – and what can we do about it?

New Zealand is a nation of animal lovers. As of 2020, Aotearoa was home to more than 4.35 million companion animals, with 64% of households owning a pet – a rate second only to the US. Breaking it down, 41% of households owned at least one cat and a third shared their homes with one or more dogs. There were also more than 120,000 companion rabbits and 70,000 companion horses in New Zealand.

Most of us would consider our pets family members, yet according to Southern Cross's 2022 Healthy Futures Report, 77% of pet owners do not have pet insurance, even though 45% of people worry about not being able to afford veterinary bills if their pets become sick or injured. This lack of pet insurance can leave owners exposed to potentially significant costs when their animals are affected by unexpected illnesses or injuries – and veterinarians in the unenviable position of providing treatment based on the financial decisions of the owner.

It's been shown, both overseas and in New Zealand, that pet owners with insurance are more likely than those without to spend money on veterinary care, approve procedures and follow their veterinarians' recommendations, so insuring an animal has clear benefits for all involved. The NZVA is also in support, with CEO Kevin Bryant saying the organisation is "a strong advocate for pet insurance to

64%
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1.2 MILLION+
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IN NEW ZEALAND

\$389.3
MILLION
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VETERINARY SERVICES
FOR COMPANION ANIMALS
IN 2015

help manage those times when our pets require urgent care and to avoid being caught out financially".

Why, then, aren't more pet owners signing up? There are several reasons, including the misconceptions that policies are only for young animals or that animals are too young to need insurance, and that pre-existing conditions won't be covered.

According to Anthony McPhail, CEO of Southern Cross Pet Insurance, cost is another factor. "With health insurance and pet insurance, it's common for people to look at the premiums and expect to get the same amounts back in claims, while recognising that other types of insurance like car, home and life insurance are there to cover you if the unexpected happens."

Then there's what Anthony says is the biggest barrier of all: a lack of awareness. "Many people just don't know that pet insurance exists."

To break down some of these barriers, insurers are evolving and improving their policies with the aim of making them accessible to more pet owners. Many insurers now offer accident-only insurance, which is more affordable than comprehensive cover, and more policies now cover older pets and are very clear on the rules for pre-existing conditions. Most distinguish between chronic and temporary conditions, too. And insurance is no longer just for cats and dogs; more insurers are now offering

equine insurance (including Pet-n-Sur, FMG, and Petcover New Zealand) and Pet-n-Sur also covers rabbits, while Crombie Lockwood's specialist pet insurance covers lifestyle-block animals such as alpacas, llamas and goats as well as exotic species such as birds (the company worked with the Department of Conservation to insure Sirocco the Kākāpō).

Veterinarians clearly have a key role in raising awareness of pet insurance, and are perfectly positioned to be advocates. It's important to remember, however, that pet insurance is a financial product, which means that while veterinarians can share facts and refer clients to pet insurance providers for information, they must not give an opinion or recommendations about products.

"When it comes to advising on pet insurance, it pays to err on the side of caution," says Alpha Woolrich, CEO of the Veterinary Professional Insurance Society. "While it's natural for veterinarians to want to help their clients, only people with the appropriate qualifications and/or licences can provide advice on financial products. If you're unsure what counts as advice, it can help

THE WEIRD AND WONDERFUL

Here are some of Southern Cross's most unusual pet insurance claims in 2020:

- A Labrador Retriever ate parts of a dead puffer fish on the beach while her owners weren't looking. She was rushed to her veterinarian to check for tetrodotoxin poisoning.
- A Lagotto Romagnolo got his paws on an asthma inhaler and had to be treated by an after-hours veterinarian for salbutamol toxicity.
- A hungry Greyhound demolished a whole cheese platter and the veterinarian had to induce vomiting.
- A Bengal cat jumped out of a window and landed on a palm tree – twice. Both incidents resulted in the feline needing to get a spike removed from their paw.

71%
OF COMPANION ANIMAL
OWNERS
SEE VETERINARIANS
AS THEIR
BEST SOURCES
OF INFORMATION

80%
OF SOUTHERN CROSS
PET INSURANCE
PAYOUTS
ARE FOR
ILLNESSES
RATHER THAN
ACCIDENTS



A COSTLY BUSINESS

Southern Cross's most expensive pet insurance claims in 2021 were:

- **\$13,772** to treat Floki, a five-year-old German Shepherd, for vomiting and peritonitis
- **\$13,453** to treat 12-year-old Misty the Greyhound for myriad conditions including hip pain, heart disease and arthritis
- **\$13,238** to treat an elderly Labrador called Jet for irritable bowel disease, regurgitation, and excision of a lump/mass
- **\$12,495** for Harry the Bichon Frise to receive treatment for high liver enzyme levels, the removal of a lump in his glands, pancreatitis, and more
- **\$12,236** to treat Bull Mastiff Myley for skin issues and an allergic reaction after slug bait toxicity.

to consider whether the information you're sharing is an objective fact or an opinion. Stick to the facts."

Here are some helpful dos and don'ts on pet insurance for veterinary practices.

DO:

- have information about pet insurance at your practice. Posters, flyers and information sheets are all handy to have in the clinic. Links to pet insurance information can be included in client correspondence. You can also tell clients that the NZVA advocates pet insurance
- ask new clients if they have pet insurance. Prompting the conversation can make owners aware of pet insurance, and the potential cost of accidents and illnesses
- record pet insurance company details and policy numbers on patient files. Some people may forget they have insurance and that they can claim
- encourage clients to manage their own insurance policy paperwork. Avoid filling out paperwork on behalf of someone else. It's easier if the owners send in their own application and manage their claim directly with the pet insurance provider
- refer clients to pet insurers for information on the insurance products.

DON'T:

- provide an opinion on any insurance products, including the cover provided or cost of an insurance policy
- provide an opinion on how a pet insurer might respond to a claim. 🙅

Southern Cross Pet Insurance is a partner of the NZVA.

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