

Pet insurance: The price of unconditional love

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Having a pet can bring endless joy, combined with disbelief at what they can get up to when no-one is looking — and the associated vet bills that often follow.

For dog owners, unexpected vet visits as a result of their beloved pet ingesting objects like socks, gloves and toys are common, particularly in the early years. Cat owners have their own set of challenges, dealing with the fallout from injuries that come with an adventurous or feisty feline.

Despite this, it's clear we love our furry friends and are prepared to pay the price for their misadventures. Australian households are estimated to have spent over A\$33 billion on pet services and products in 2022; in New Zealand the latest figures suggest NZ\$1.8 billion.

Dog owners alone spend more than A\$3,000 on average per animal each year in Australia, with cat owners spending an average of A\$1,715 per animal each year.

Of that, 14 per cent is attributed to vet services, and the costs can quickly increase if a pet needs ongoing or emergency medical treatment.

In 2022, 17 per cent of households with dogs and 12 per cent of households with cats had pet insurance, according to RSPCA Australia. The types of claims that insurers are seeing make a strong case for preparing for the worst, with common examples including ingesting foreign objects, skin allergies and ear infections for dogs, and bite wounds and abscesses for cats.

Michelle Le Long, COO of PD Insurance in New Zealand, says claims trends are similar each year and the uptake of pet insurance is growing, in part as a response to an increase in vet bills.

“The cost of vet treatments continues to rise alongside technological and medical advancements, and increasing costs for running vet clinics and recruiting / retaining quality staff,” she says.

“All this means a growth in pet cover uptake, which is something we expect will continue.”

Types of claims

According to Tower Insurance NZ, the top four reasons for claims from dog owners in 2022 were illness (43 per cent), injuries (28 per cent), routine care appointments (24 per cent) and dental care (2 per cent).

Cat owners were in a better position, making 43 per cent fewer claims. Of those, 39 per cent were for injuries, 31 per cent for illness, 25 per cent for routine care and 3 per cent for dental claims.

In 2023, ingestion-related claims for dogs accounted for 7 per cent of all claims for PD Insurance, making it the second-biggest cause of claims behind skin allergies, says Le Long.

“We have seen claims for the ingestion of human medication, rat poison, dog toys, rocks, balls, batteries, wireless headphones, socks, nails, kitchen twine, tinsel, meat tray pads, fishing hooks, highlighters, shoe insoles, dishwashing cloths, a swimming pool cover and plenty more,” she says.

“Pets can’t pass many of these items through safely or at all, causing dangerous obstructions that require surgery and sometimes lengthy recovery periods.”

For cats, the most common claims are for injuries sustained in fights with other cats and dogs. Infections from injuries are also another leading cause for a claim.

“An infection from injury, whether oral or elsewhere, is an ever-present risk,” says Le Long. “In fact, many bite wounds result in abscesses due to bacteria infecting the wound. Our 2023 data shows cat owners can pay close to NZ\$3,000 to treat them.”

Dr Betty Chan, vet adviser at PetSure in Australia, says that while having insurance is a good idea, preventative measures to stop pets eating the wrong things or getting into dangerous situations could potentially help avoid costly vet bills.

“Pet owners can select toys that do not have small parts or parts that could be easily chewed off,” says Chan.

“Food scraps and food-related items are a common cause of foreign body ingestion, so pet parents should keep food scraps like bones, skewer sticks, corn cobs and stone fruits out of reach of pets by securing household bins.”

Mental versus physical

The fallout from the COVID-19 pandemic has also affected household pets, with reports of distressed animals not coping with being left alone after two years of constant companionship during lockdowns.

While there are ways to manage this, behavioural conditions are not typically covered under a pet insurance policy, says Le Long.

She says PD Insurance provides an education hub to help all pet owners learn about responsible pet parenting. It provides insights on ethical pet purchasing and adopting, training, raising and caring for pets, as well as animal welfare.

At PetSure, Chan says some policies provide access to VetChat, which allows pet owners to connect with Australian-registered vets 24/7 for advice regarding their pet’s behaviour.

Luckily for most of us, the intangible benefits of pet ownership — including companionship and both mental and physical health benefits for owners — continue to outweigh the cost of the occasional canine or feline mishap.

Unusual claims

Each year, the Hambone Award goes to the most unusual or interesting tale of a pet's misfortune. In 2023, it went to a cat, Giles, who got squashed in a fold-up sofa bed in the United States.

In Australia and New Zealand, there are similar tales of survival.

One customer with a PetSure policy took their dog to the vet multiple times throughout 2022 and 2023 for chewing up a pillowcase and eating an oven mitt, a zipper and a tea towel. The dog underwent surgery to have the tea towel removed from its small intestine.

PD Insurance reports multiple examples, including the cautionary tale of Hazelnut, a Rhodesian ridgeback who ate 30 of her owner's daughter's heart medication pills. Then there was Harvey, a schnauzer puppy who was in and out of the vet's when he was just a few months old. First, he choked on a bone, and then he broke his foot in three places when a chair fell on it, and then he ate a grape — which can be highly toxic to dogs.

The cost of taking in a stray

Taking on a furry companion with history can present an extra set of challenges and costs, including vaccinations, microchipping, registration, health checks and more.

MoneyHub estimates the initial upfront cost of adopting, desexing and vaccinating a dog at NZ\$3,000 during the first year and ongoing costs (including food, registration fees and standard vaccinations) at more than NZ\$2,000 per year. For a typical dog lifespan of 10 years, that's NZ\$23,000 — and that's without the non-essentials such as premium food, treats, toys and any veterinary care beyond the standard check-ups and vaccinations.

Adding a cat to the family costs an estimated NZ\$1,000 a year, with an initial upfront cost of NZ\$2,000 in the first year. For a typical lifespan of 15 years, cat owners are looking at NZ\$17,000 — again, for the essentials only.

Pet insurance is a non-essential in MoneyHub's list and costs NZ\$200–300 per pet per annum. If you're taking on a stray, a condition that exists or occurs before the commencement date of the first policy period or within an applicable waiting period may be excluded from cover as a pre-existing condition. Whether that is the case will depend on the nature and experience of the condition, and some conditions are eligible for review after an 18-month period.

While most insurers will not cover any pre-existing conditions, which may be the case with an older or less healthy pet, many are often prepared to work with existing conditions to mark any improvement.

Toxic food and plants

There are many types of food that can be dangerous to pets. PD Insurance has put a list together of some of the most common ones:

onions, garlic and chives

chocolate

caffeine

grapes and raisins

macadamia nuts, almonds, walnuts and pecans

yeast dough (this can rise in their belly)

cooked bones (these can splinter and cause internal damage)

most raw bones (can cause intestinal obstructions)

corn cobs (these can literally plug the digestive system)

apple seeds (apple flesh is fine, but the core is not)

artificial sweeteners

avocado

fruit pits (cherries, peaches, plums etc.)

Plants can also be toxic, including the following:

lilies

succulents (particularly firesticks or pencil cactus)

azaleas

rhododendrons

chrysanthemums

daffodils

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