



# What is pet insurance?

What you need to know before  
choosing the right policy for  
your pet's needs.

PetSure 

# Introduction

The reality is pets of all breeds and ages can experience accidents or illness that require veterinary treatment, and if you're not financially prepared for these costs, it could put a strain on your household budget.


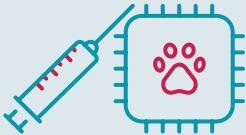


## What is pet insurance?

Pet insurance can assist with pet healthcare costs if and when your pet experiences an unexpected illness or accidental injury. Many policies can pay up to 80% of eligible vet bills, up to the value of \$10,000 or more each year.

There are a variety of pet insurance products available, so it's recommended you review the types of cover based on your needs, to make an informed decision.

## What doesn't pet insurance cover?

As pet insurance is designed for unexpected Veterinary expenses, your day-to-day pet care expenses like flea and worm treatments, vaccinations and grooming typically won't be covered unless you have a routine care/wellness benefit (a non-insurance benefit) which provides a contribution towards certain items.

What is covered	What is not typically covered
 <p>Unexpected illness (only on comprehensive policies)</p>	 <p>Vaccinations &amp; microchipping</p>
 <p>Specified accidental injuries</p>	 <p>Pet food/prescription diets and grooming</p>



## Key information to consider

There are different types of pet insurance policies to consider when buying pet insurance, summarised here into two main categories:

- **Combined Accidental Injury and Illness** policies, with cover for, or a contribution towards, eligible vet treatments if your pet is in an accident or gets sick.
- **Stated Events** policies, such as specified conditions cover for indoor cats or basic events policies that cover specified illnesses and/or specified accidental injuries only.

## Premiums, and how they're calculated

Your premium is calculated based on a mix of fixed and variable factors, for example the type of coverage selected and your pet's breed and age, which can affect risk assessment. Your premium is likely to rise annually due to a range of factors, for example, the rapid ageing of your pet, their past claim history and advancements in veterinary care which increases treatment costs.

## Annual limits

Pet insurance policies have a yearly maximum claim limit, typically above \$10,000, often with sub-limits for certain treatments.

## Sub-limits

This is the maximum the insurer will pay for certain types of claims. For example, while a policy might have an overall annual limit of \$10,000, a sub-limit of \$1,500 for tick paralysis means that the policy will only cover up to \$1,500 for tick paralysis treatment.

## Benefit percentage

Policies typically reimburse up to 70%-90% of vet bills for eligible claims, with the remainder paid out-of-pocket.

## Excess

The 'excess' is an additional amount you can agree to pay out-of-pocket on claims. Excess often applies per condition, per policy period but there are different applications across policies and insurers. Higher excess generally means lower premiums, but higher out-of-pocket costs at the time of a claim.

# Other considerations

## The cost of vet care

According to PetSure claims data, one in seven pets could have healthcare costs exceeding \$50,000\* over their lifetime. The cost of some common conditions affecting dogs and cats are as follows:

Condition (dogs all ages)	Average cost for treatment <sup>^</sup>	Highest cost for treatment <sup>^</sup>
Skin infection/ allergies	\$557	\$20,622
Gastrointestinal disease	\$773	\$26,435
Ear infection	\$385	\$20,654
Condition (cats all ages)	Average cost for treatment <sup>^</sup>	Highest cost for treatment <sup>^</sup>
Gastrointestinal disease	\$711	\$27,061
Traumatic injury	\$871	\$30,990
Skin infection/ allergies	\$382	\$9,614

*Pet insurance only covers a portion of the eligible vet bill. Claims are subject to limits, benefit percentage, applicable excess, waiting periods and exclusions. Claims experience varies depending on circumstances and policy coverage.*

## The right cover for your pet's breed and age

Research your pet's breed profile so you understand common breed-specific conditions that your pet may experience and ensure adequate insurance coverage. Older pets may need more care but face higher insurance costs and potential exclusions. Securing insurance earlier may reduce the risk of pre-existing condition exclusions.

## Waiting Periods

Waiting periods vary across policies. Commonly for pet insurance: 0-2 days for accidental injury, 14-30 days for illnesses, and 90 days-6 months for cruciate ligament conditions, starting from the policy purchase date.

## Claims process

Some insurers offer GapOnly<sup>®</sup>, an innovative payment service, where customers only pay the 'gap' (the difference between the benefit amount and the vet's invoice at participating vets in around 7 minutes. You can find participating vets at [gaponly.com.au/find](https://gaponly.com.au/find). If the customer does not use GapOnly<sup>®</sup>, typically they will need to pay the vet's bill in full up front and then claim the costs back from the insurer.

\*Average lifetime healthcare costs estimated using output from PetSure proprietary modelling. This modelling incorporates PetSure claims and policy data from ~c. 2016 to the present day across all insured breeds. This estimate relies on assumptions around future healthcare cost increases and represents a 15-year view of an average animal, for the mix of breeds currently insured with PetSure brand partners.

^Based on PetSure (Australia) Pty Ltd claims data from 01/01/2023 – 31/12/2023.





## Pre-Existing Conditions

### What is a pre-existing condition?

Generally, a pre-existing condition refers to any health condition (diagnosed or otherwise) that your pet has shown signs of, before purchasing a pet insurance policy (or within the applicable waiting period for some insurers). **Generally, a pre-existing condition** is not covered under the policy.

Examples of pre-existing conditions for insurers such as PetSure include (but are not limited to):

- Cruciate ligament conditions
- Intervertebral disc disease
- Hip dysplasia

For some insurers, including PetSure, certain pre-existing conditions may be reviewed depending on whether they are considered **temporary conditions**. This means if your pet has shown no signs, symptoms or occurrence of the condition for a defined period (up to 18 months and which is certified by a vet) prior to your claim treatment date, it may be covered.

Examples of conditions, for insurers such as PetSure, that may be reviewed are:

- Skin infections
- Ear infections
- Gastrointestinal issues

Not all insurers will consider temporary or cured pre-existing conditions, so it's important to review the PDS before purchasing and understand the terms and conditions that apply.

## **Pre-existing condition case study: Max's Demodex Mites**

Your puppy, Max, had Demodex Mites 18 months before taking out a pet insurance policy, which resolved with treatment from your Vet.

**Two years later, Max is diagnosed with a new case of Demodex Mites.**

### **Can you claim for this condition?**

Yes! The first episode of Demodex Mites was a temporary condition that resolved with treatment, and it's not considered an excluded condition in the policy's PDS. Max also didn't show signs, symptoms or abnormality in relation to the condition for more than 18 months, and the second occurrence was outside of any applicable waiting periods.

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## **Pre-existing condition case study: Archie's Luxating Patella**

You take out a PetSure-administered pet insurance policy with a 30 day illness waiting period, and 15 days later, your pet is diagnosed with a luxating patella (a dislocated kneecap).

### **Are you covered?**

No. Because you are still mid-way through the policy's waiting period for this condition, treatment is not covered. Given that the condition arose during the applicable waiting period, it is classified as a chronic pre-existing condition and will never be covered. It should also be noted that a luxating patella will never be considered as a temporary condition.

**Two years later, your pet requires surgery for patella luxation. Will this condition be covered?**

No. Because the condition is a chronic pre-existing condition, it remains ineligible for cover (as outlined in the policy's PDS).

# More information

The Insurance Council of Australia provides impartial information about insurance that is not affiliated with any company - [insurancecouncil.com.au/consumers/insurance-explained/](https://insurancecouncil.com.au/consumers/insurance-explained/)

To compare PetSure administered and/or issued policies, visit us at [petsure.com.au/compare](https://petsure.com.au/compare).



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