IVASS
ISTITUTO PER LA VIGILANZA
SULLE ASSICURAZIONI

Survey on policies for pets

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1. Introduction

Having pets, such as dogs or cats, within the family environment is becoming more and more common and the relationship people have with their pets has changed compared to the past. Pets now live indoors and are treated as full members of the family, receiving attention and care from their owners to ensure their health and well-being.

Owning a pet involves responsibilities, both civil and criminal, for the owner, even if the animal is temporarily entrusted to someone else. This includes specific legal obligations, such as: registering with the canine or feline registry office; ensuring vaccinations are completed; applying a microchip (or tattoo) to identify the pet and its owner, which is crucial if the pet is lost; and maintaining an up-to-date health booklet.

There is significant demand for such policies from pet owners, both to cover medical expenses, including unforeseen ones, and to be protected against claims for damages caused to third parties (material damage or injuries to persons or other animals).

IVASS carried out an analysis of the type and scope of coverage, along with the exclusions and limitations, in pet policies.

The survey was based on the analysis of contracts and does not assess the goodness or convenience of the policies and disregards their commercial success and the level of premium income associated with them. The reference to policies or commercial initiatives mentioned in this Report does not imply an approval by IVASS.

2. Scope of the analysis

The survey covered **81 policies** providing guarantees for pets, offered by **32 companies**, marketed as of 31 July 2024. In particular, these are:

- **58** policies in which coverage for pets is combined with other types of risks (**56** Home and Household policies and **2** Travel policies);
- **23** stand-alone policies[1].

1 Policies expressly designed to cover pets.

3 The covers offered

The covers offered are:

a. reimbursement of **veterinary expenses**;

b. reimbursement of expenses arising from **third-party liability** for any damage caused to third parties by the animal;

c. **assistance** services, including when travelling;

d. coverage for **legal expenses**, concerning disputes involving the policyholders in their private life, regarding the ownership and keeping of the pet specified in the policy.

The aforementioned covers are generally classified into primary and ancillary guarantees, which can be combined in various ways (ancillary covers may be purchased separately, with a premium surcharge, and are often included in upgrade policy versions[2]).

Although the market mostly targets dogs and cats, two companies provide policies that allow pets other than dogs or cats to be insured, such as farmyard and saddle animals, when combined with home and household policies.

When combined with travel policies, the policies offered typically encompass telephone advice and information services for clients travelling with animals.

3.1 Coverage of veterinary expenses

This coverage generally reimburses veterinary expenses related to surgeries required due to accidents or illnesses, including hospitalisation or day hospital costs, such as: expenses for the surgical team, operating theatre, hospitalisation fees, medications administered during the stay, prosthetics, physiotherapy, acupuncture, osteopathy, and veterinary examinations incurred within 30 or 40 days before and after the surgery.

Additionally, six companies extend their coverage to include other veterinary expenses unrelated to surgery, such as: check-ups and diagnostics, medical treatments and medications, orthopaedic supports, routine evaluations, physiotherapy and rehabilitation sessions, services provided at affiliated facilities, etc.

Five companies provide coverage for caesarean sections, which is not included in all the other policies reviewed (see par. 3.1.1 on exclusions and limitations).

2 For example in the Full, Gold, Premium o Top versions.

Ten companies also provide coverage for funeral expenses for the animal following an accident or illness. These policies reimburse the insured for the costs associated with euthanasia and cremation of the animal, even if the death occurs during surgery due to an accident or illness or while hospitalised.

Five companies also provide coverage for euthanasia in case of injury or illness. Among these, two require a veterinarian to confirm that euthanasia is unavoidable and in the animal's best interest to prevent unacceptable psycho-physical suffering and/or pain.

Seven companies provide a guarantee for reimbursement of veterinary expenses in case of accident or illness of the pet while travelling, with most of the policies examined offering telephone assistance during travel.

Additionally, three companies require the signing of a statement of good health for the dog or cat and two of these do not provide insurance for dogs involved in certain professional activities[3].

Six companies provide benefits for pets in the case of emergency visits, four arrange for a vet to visit the insured person's home only after a telephone veterinary consultation determines a medical examination is required, but always by appointment and never in an emergency.

The insurability requirements envisaged in the stand-alone pet policies and in 8 home and household policies primarily focus on: the animal's age, health condition, entries in the pet register, the presence of a microchip or tattoo, and specific vaccinations.

The insurable age of pets ranges from 2 months to 10 years. In particular, five companies offer insurance for animals as young as 2 months, ten companies provide coverage for those at least 3 months old, while the remainder of the market provides insurance for animals from 6 months onwards. Only one company insures animals that are 7 weeks old. However, coverage ends if the animal reaches its 10th birthday during the policy term.

One company insures animals older than 10 years.

In the analysis of 7 products (4 of which offered by the most proactive company in developing stand-alone policies for pets), it was found that four companies did not specify the minimum insurable age.

Owners can insure multiple pets under the same policy, regardless of whether they are of different species, such as dogs and cats, as long as they live with them. In

3 Dog and cat breeders, animal retailers, kennels and catteries, organisations engaged in animal rescue, adoption and care, the Italian Army, Carabinieri, State, Local Police and Prison Guards, Guardia di Finanza, Fire Brigade, Civil Protection, National Alpine and Speleological Rescue Corps, and the Italian Red Cross.

particular, three companies allow the coverage of up to three pets, two companies up to four, one company up to five and another company up to six (three dogs and three cats). Increasing discounts on premium are applied by two companies depending on the number of animals insured.

3.1.1 Exclusions and limitations

The following **exclusions** generally apply:

1) past illnesses and treatment for past injuries;
2) relapsed neoplasm;
3) congenital or hereditary diseases and malformations;
4) caesarean section, sterilisation, infertility treatment and artificial insemination;
5) dermatitis and allergies;
6) purchase of vaccines, antiparasitic and, in some policies, medicines not resulting from surgery;
7) psychotherapeutic treatment; mental illness and behavioural problems;
8) costs for microchip, trainer and educator;
9) accidents occurring during competitions and contests, with the exception of beauty contests recognised by ENCI (Italian Kennel Club) and ANFI (Italian National Feline Association);
10) accidents and illnesses resulting from the use of the animal in hunting activities; accidents resulting from fighting, mistreatment or other activities prohibited by law;
11) suppression and cremation for dangerousness;
12) various infectious diseases[4];
13) cutting tails, ears; cosmetic and plastic surgery; hernias;
14) dental diseases and paradontopathies; eye surgery;
15) surgeries performed following cruciate ligament injury or rupture, or involving the canine elbow, as well as treatments for patellar luxation, whether traumatically induced or not, and removal of embedded grass seeds.

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4 Including: rabies, distemper, parvovirus infection, infectious hepatitis and leptospirosis for dogs; rhinotracheitis, calicivirus infection, panleukopenia and infectious leukaemia for cats; filariasis, leishmaniasis.

Concerning the **limitations**, it has come out that:

1) pet policies generally do not cover emergency veterinary visits or regular health checks, even when illnesses are detected, with the exception of four companies;

2) reimbursement for veterinary expenses while travelling is covered only if the pet is accompanied by the owner, the destination exceeds 100 km from the insured's home stated in the policy, and the journey concludes with accommodation at a facility (excluding for example a holiday home owned by the insured);

3) home veterinary visits are arranged by appointment only and are not available for emergencies but can occur only after a veterinarian within the company's organisational structure confirms it following a telephone consultation.

3.2 Third-Party Liability

This guarantee provides coverage for accidental harm caused to third parties, including in case of death, bodily injury to individuals or animals and damage to property.

The guarantee typically extends to third parties who temporarily care for the animal, provided they are not engaged in professional animal care and/or management activities. Additionally, two companies cover the pet sitter's liability for damages the animal may cause to third parties while under their supervision.

Liability policies do not generally include coverage for certain breeds deemed more aggressive, as specified in a list in the information set. Nonetheless, some companies have designed policies that, in different forms[5], provide liability coverage for damages caused to third parties by aggressive dogs (referred to as 'badly behaving or biting' dogs). Should registration in the Register of Biting Dogs be required, the policy also covers the owner's participation in training courses, resulting in the issuance of a licence.

Dogs identified as potentially high-risk are recorded in this register maintained by the Veterinary Services. Depending on the severity of any harm inflicted on individuals, animals, or property, these Services decide on preventive actions and assess the need for behavioural therapy by veterinarians skilled in animal behaviour. Owners of dogs listed in the register of biting and behaviourally challenged[6] dogs are required to take out a third party liability insurance policy[7].

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5 For instance, this could involve applying doubled deductibles and premium surcharges.

6 Art. 3, paragraph 4 of the Ordinance of the Ministry of Labour, Health and Social Policy of 3 March 2009, as amended and supplemented (last extended by the Ordinance of 6 August 2024).

7 See the above-mentioned Ordinance.

3.2.1 Exclusions and limitations

Damages are generally **excluded**:

- caused by the use of the animal in activities prohibited by law;
- resulting from the practice of hunting;
- caused by the animal during hospitalisation or day hospital visit at veterinary clinics and/or surgeries;
- caused by the animal while temporarily staying in boarding houses for pets;
- resulting from intentional acts by the insured, except when carried out by individuals for whom they are legally accountable.

There is typically a **limitation** whereby the following subjects are not considered 'third parties' and, as a result, are not covered by third-party liability: the policyholder, the spouse, the cohabiting partner, the party to a civil union, children, parents and relatives living with the policyholder, as shown in the family status certificate, individuals employed as domestic workers or family helpers at the residence where the insured pet resides.

However, four companies include the following among the subjects covered by insurance: children under the age of 14, living with the policyholder; parents and children of the policyholder and of the spouse, of the cohabiting partner, or of the party to a civil union, not living with the policyholder or not having their residence where the policyholder lives. Three companies extend coverage to the temporary caretaker of the animal.

Conversely, another company permits the extension of insurance cover to children under 15 and disabled children by purchasing an additional guarantee with a premium surcharge.

3.3 Assistance

Pet policies offer a variety of assistance services for the insured both at home and while travelling. However, some services are limited to telephone advice, providing information such as the location of pet shops, which policyholders could easily find on line by themselves.

Assistance services in general include:

a) veterinary consultation by phone (including while travelling);

b) online veterinary remote medical care, 24 hours a day;

c) telephone counselling by a nutritionist;

d) information, even in an emergency, on the location of clinics, analysis centres, boarding houses or pet shops and grooming shops in Italy, including when travelling;

e) costs of searching for a lost animal reported to the competent authorities[8];

f) accommodation in a boarding house for pets or arranging for a pet sitter at home in cases of temporary incapacity, certified by the attending physician for at least 3 days, or hospitalisation of the insured owner (in some policies, this applies only to hospitalisation due to surgery following an accident or illness);

g) psychological support to the owner following the death of the animal during surgery or hospitalisation;

h) emergencies, reimbursement of veterinary transport or veterinary visits;

i) sending a veterinarian or home delivery of veterinary drugs;

j) extension of the travel duration in the event of accident or illness of the animal;

k) cancellation of the trip, in the event of death or life-saving surgery of the pet;

l) dog behavioural rehabilitation;

m) basic legal advice by telephone and the organisation of a telephone consultation with a specialist to receive insights and explanations on laws and regulations concerning facts and situations relating to animal ownership;

n) information on the availability of hotels, campsites and beaches with free access for dogs and cats.

Two Travel policies, provided by two companies belonging to the same insurance group, also include telephone assistance for pets travelling with their owners.

3.3.1 Exclusions and limitations

The following **exclusions** generally apply:

a) wilful misconduct or gross negligence by the insured individual, their family members, or those entrusted with the care of the insured pet;

b) wars, acts of terrorism, floods, natural disasters, earthquakes, volcanic eruption, strikes, alteration of an atom's nucleus, radiation caused by the artificial acceleration of atomic particles or due to exposure to ionising radiation;

c) participation in hunting activities, sports competitions and similar events, exhibitions, dog/feline shows, trials and competitions, and professional use of the animal;

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8 In particular, the cover includes: a telephone service for sighting reports; reimbursement to the insured party, within certain maximum amounts, for the cost of a taxi or train ticket to retrieve the animal; a veterinary check-up; a grooming service; and reimbursement of kennel expenses where the pet might have been kept during its recovery.

d) use of the pet in activities prohibited by law, more specifically mistreatment, organised fighting and prohibited shows;

e) accidents or illnesses arising before the commencement of the insurance.

Concerning the **limitations**, it has come out that:

a) arranging pet sitters to visit the home of an insured individual recovering from surgery is considered only if the surgery was necessitated by an accident or illness. This limits the range of operations to which the insured may be subjected. In addition, the pet sitter is only sent for 1 hour a day for 5 days in the 15 days following surgery;

b) reimbursement for the costs of locating the lost animal is contingent upon: notifying the authorities of the disappearance; the geolocation device being active; and the place where the pet was found being more than 20 km from the insured person's home;

c) home veterinary visits are arranged by appointment only and are not available for emergencies, but can be organised only on the recommendation of a veterinarian within the company's organisational structure following a telephone consultation;

d) the cost of home delivery of drugs is generally reimbursed by the company, while the cost of drugs themselves is borne by the insured.

3.4 Legal expenses

Not all pet policies cover legal expenses.

This guarantee is included in the policies of fourteen companies, typically in the upgrade versions of the policy or as an optional guarantee, subject to an additional premium.

The guarantee encompasses the costs of out-of-court or legal assistance that may be necessary to defend oneself in civil or criminal proceedings related to the ownership, custody or possession of family pets. It extends to both household members and domestic workers, provided the insured person is responsible for them, in relation to incidents occurring during the execution of the duties of care of the animal.

The guarantee covers in particular:

1) reimbursement of legal fees for out-of-court and in-court settlement of the dispute or for assisted negotiation or mediation;

2) reimbursement of legal fees for drafting reports, lawsuits and applications to the judicial authorities;

3) offences related to the ownership or custody of the animal;

4) legal expenses for non-contractual claims for damages, in cases where the insured animal suffers damage due to the unlawful acts of other people or caused by animals owned by third parties;

5) disputes regarding damages caused to others by the wrongful conduct of an animal owned by the insured; assistance is conditional upon the existence and effectiveness of liability coverage;

6) criminal defence of the insured person for a culpable or contravention offence;

7) costs of defence investigation in criminal proceedings;

8) fees of experts, court-appointed or party-appointed technical consultants, arbitrators;

9) court fee, if the other party losing the case fails to cover it;

10) up to two enforcement attempts for every enforcement order.

A company also covers (Plus line) contractual disputes concerning the animal specified in the policy for: its purchase; any veterinary services; purchase of animal products; and grooming services.

3.4.1 Exclusions and limitations

In general, the following expenses are **excluded**:

a) legal fees for the lawsuit or complaint if the outcome does not result in the indictment of the other party in criminal proceedings;

b) travel allowance expenses;

c) costs of enforcement exceeding the second instance per claim;

d) costs of the mediation body, if mediation is not compulsory;

e) taxes, fees and other fiscal charges other than legal costs;

f) fines, penalties, and pecuniary sanctions in general;

g) costs paid to parties to civil proceedings in criminal actions against the insured.

The following **limitations** were also found:

a) the fees for a single lawyer for each stage of the proceedings are covered, such as: the out-of-court and in-court settlement of the dispute; assisted negotiation and mediation;

b) if there is another active insurance policy covering the insured party's liability, the legal expenses cover will act at second risk. This means it will only come into play once the maximum amount covered by the liability insurer for defence and loss costs has been exhausted, within the limits of guaranteed benefits. In all other cases and in the case of a civil action in the context of criminal proceedings, the insurance operates on a first-risk basis.

4. Duration, waiting periods and definition of the premium

The **duration of these policies** is generally one year with tacit renewal. However, policies of different durations, even monthly, can be taken out.

There are **waiting periods** to consider: usually, for the reimbursement of veterinary expenses this period ranges from a minimum of 7 days in the case of an accident, up to 180 days for caesarean sections, pregnancy-related illnesses, and unknown pre-existing illnesses; in contrast, the waiting period for legal expenses can extend up to 90 days.

In some policies, a **premium** surcharge is applied if the payment is not made in a lump sum. Additionally, two companies adjust the annual premium based on the animal's age, while another imposes premium surcharges for insuring dogs of dangerous breeds.

5. Glossaries

An analysis of the terms in the policy glossaries revealed that three companies not only define 'Illness', but also give more detailed explanations of 'Sudden illness', 'Congenital illness' and 'Pre-existing illness'. Additionally, one company also further describes the terms 'Contractual liability' and 'Non-contractual liability'.

The definition of 'Surgical intervention' provided in the glossaries of five companies is complex: *'Surgical intervention: a medical procedure, conducted with a direct therapeutic or diagnostic purpose, performed by means of tissue cruentation or through the application of mechanical, thermal or light energy sources'.*

Restrictive in content is the definition of the term 'Travel' which, where present, is the same in all glossaries: *"Travel: the insured's travel for tourist purposes that covers a distance exceeding 100 km from their residence and involves a documented stay in an accommodation facility".*

6. Conclusions

To meet the demand for pet protection, covering approximately 19 million dogs and cats in households[9], the insurance industry has developed a wide array of policies varying in scope and coverage, including specific policies designed for pet-related risks, known as stand-alone policies.

The current offer is lacking with regard to older animals, which, due to their increased vulnerability to diseases, would benefit significantly more from a policy that includes coverage for veterinary expenses.

It should also be noted that the policies come with several exclusions, especially with regard to accidents and illnesses that can most frequently occur during a pet's life, even for younger pets. These limitations restrict the scope of the coverage provided and should in any case be carefully assessed before underwriting a policy.

The expansion of glossaries and the standardisation of definitions could effectively raise consumer awareness about the scope of guarantees and their exclusions.

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