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Deeper bond with pets, rising vet bills fuel demand for pet insurance

Insurers report growing interest in pet insurance due to increased awareness of veterinary care, rising treatment costs, and changing lifestyles, especially among nuclear families and DINK households.

As pets are increasingly becoming an integral part of the family for animal lovers, concerns about their health and rising costs of veterinary care are driving demand for pet insurance policies. Insurers say interest in pet insurance has been steadily gaining momentum, driven by greater awareness of veterinary healthcare, rising treatment costs and changing lifestyles, particularly among nuclear families and DINK (dual income, no kids) households. “The demand for pet insurance has grown steadily and gained significant momentum in recent years,” Amarnath Saxena, Chief Technical Officer – Commercial, Bajaj General Insurance, told businessline. The insurer has witnessed consistent growth in customer adoption since launching its pet insurance product in 2021.

The growing cost of veterinary treatment is another factor encouraging pet owners to consider insurance. “Veterinary expenses, medicines and surgeries can be costly, especially when a pet needs sudden treatment. This is making pet owners think about how they would manage such expenses if something unexpected happens,” said Arti Mulik, Chief Technical Officer, Universal Sompo General Insurance. The demand was growing as pets became part of the family for many people. Universal Sompo has seen good response to its pet assure product, she added.

The growing awareness is not confined to metropolitan centres where the demand for pet cover is witnessing speedy growth. “The demand is also not limited to larger cities. “We are seeing more awareness in Tier 2 and Tier 3 cities as well,” said Mulik. Dogs continue to account for the largest share of pet insurance adoption, while cats are the second most insured category. Insurance for other pets such as birds has not yet been initiated. According to industry data, pet insurance policies offer sum insured options ranging from ₹10,000 to ₹15 lakh, with a modular structure that allows pet owners to customise their protection by selecting different covers. They cover surgery expenses arising from accidents, illnesses and fractures. Pet owners can additionally opt for OPD coverage.

Beyond healthcare, the policy provides third-party liability protection for legal liability arising from bodily injury, property damage, sickness or death caused by the pet, along with admissible legal defence costs. Industry claims data indicate pet insurance is being used for both routine healthcare and more expensive medical interventions. “A large share arises from routine healthcare needs covered under OPD benefits, such as veterinary consultations, diagnostic tests, and minor treatments,” said Saxena.

Despite the growing interest, insurers acknowledge that pet insurance remains a nascent category in India and the opportunity, therefore, extends beyond selling policies. It is also about changing how pet owners prepare for healthcare costs. Industry experts peg the portfolio size at around ₹40-50 crore. “My pet was suddenly diagnosed with renal issues and was treated for one month which cost me ₹1.50 lakh and insurance came in handy for me as I received ₹1.30 lakh from my insurer,'' said AG Rao, a software engineer, who owns a Golden Retriever.