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Buying pet insurance? Check sub-limits, exclusions before choosing a policy



India's pet insurance market was worth approximately ₹3,152 crore in 2025 and could reach ₹9,478 crore by 2034, implying a compound annual growth rate (CAGR) of 12.60 per cent between 2026 and 2034, according to industry estimates. Indian households increasingly treat pets as family members. Insurers are responding with products that cover not just their medical expenses but also risks such as liability, theft and long-term care.

India's pet population rose from 28.5 million in financial year 2019-20 (FY20) to 39.2 million in FY25 and is projected to reach 60.5 million by FY30, according to industry estimates. "This is still an emerging category, but it is witnessing steady growth," says Amarnath Saxena, chief technical officer – commercial, Bajaj General Insurance. An interesting development in the pet insurance space has been the launch by Bajaj General Insurance of My Family Complete, a health insurance product that extends the definition of family to include pet dogs and cats.

Why demand is rising: Owners increasingly regard pets as family members. "Pet parents are more willing to invest in their health, well-being and long-term care," says Saxena. Veterinary costs are another important driver. "Rising costs of surgeries, diagnostics, hospitalisation and specialised treatments are encouraging pet owners to seek financial protection," says Ramit Goyal, chief distribution officer, Generali Central Insurance.

Higher disposable incomes also enable greater spending on pet care and insurance products. According to Saxena, dual-income households and nuclear families increasingly go for pets and are willing to dedicate resources to their care.

What pet insurance covers: Pet insurance includes surgery expenses arising from accidents, illnesses and fractures, along with eligible pre- and post-surgery treatment. Hospitalisation cover is available for inpatient treatment at veterinary hospitals. Mortality benefits are also available in the event of death. Optional outpatient department (OPD) cover can reimburse specified veterinary treatment expenses.

Third-party liability can cover legal liability arising from bodily injury, property damage, sickness or death caused by the insured pet. It can also include admissible legal defence costs. "Pet insurance also provides terminal illness, lost and stolen, long-term care, emergency pet minding and several other coverages," says Goyal.

Choose optional covers carefully Insurers increasingly structure pet policies as modular products, so pet owners need to choose add-ons carefully. OPD may be relevant for pets that require frequent veterinary visits, while terminal disease and long-term care covers are useful in case of more serious or prolonged medical conditions.

Third-party liability cover is useful if an incident involving another person or property creates a financial and legal liability. Emergency pet minding cover proves useful if an owner is unable to care for the pet. "The cover can reimburse pet boarding or caretaker expenses when the owner or a family member is hospitalised for more than four consecutive days or passes away," says Goyal.

How much cover is enough?

Insurers nowadays offer sum insured options ranging from ₹10,000 to ₹15 lakh. Customers should choose the sum insured depending on the level of financial protection they want. "Customers should also consider the pet's age, breed, lifestyle and likely healthcare requirements while choosing the level of cover," says Saxena.

Healthcare costs and susceptibility to certain illnesses can vary across breeds. Pet owners should consider veterinary costs, the potential need for surgery or hospitalisation, OPD requirements and third-party liability risks. The premium, meanwhile, does not depend solely on the sum insured. It can vary according to the pet's species, weight, location, existing health condition and policy tenure.

"Premium depends on factors including age, breed, vaccination history, pre-existing illnesses and the types of coverage selected," says Arti Mulik, chief technical officer, Universal Sompo General Insurance. The headline sum insured does not necessarily represent what the insurer will pay for every treatment. "Every section will have its maximum payable amount and limitations," says Mulik.

A surgery benefit, for example, could have a sub-limit within the overall hospitalisation cover. "The sub-limit could range from 30 per cent to 75 per cent," says Mulik.

Customers should therefore understand both the overall sum insured and the individual sub-limits. "Pet parents should also check sub-limits, deductibles and co-payment requirements, as these can significantly affect the amount payable during a claim," says Ashwini Dubey, business head – home & pet insurance, Policybazaar. Waiting periods for each benefit should also be checked. Exclusions are equally important. "Pre-existing illnesses or congenital conditions may be excluded. Cosmetic and elective procedures are not covered, as is intentional neglect," says Mulik.

Retain documents: Getting the claims process right is as important as choosing the right policy benefits. Full disclosure at the time of purchase is especially important. "Make a full disclosure of the current health status of your pet," says Mulik. Pet insurance can offer cashless, co-pay or reimbursement-based claims. "This depends on the insurer, network of veterinary clinics and policy terms. Do not assume that every pet insurance policy offers cashless treatment," says Dubey.

Policyholders should intimate claims without delay and follow the insurer's prescribed procedure. They should also retain original bills and hospitalisation records. Submitting incomplete documents can lead to delays or denial of a claim.