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When pets become premium customers



Data released by imarc shows that the market size of pet care products reached 48.6 billion in 2025; it predicts a growth rate (CAGR) of 5.24% between 2026 and 2034. Bella gives the bowl a doubtful look. She takes a hesitant sniff of the pedigree food “served” before her, turns away and tosses it aside with immense disapproval.

For Tanvi, a journalist based in Bengaluru, this has become a familiar routine. Her Persian cat, Bella, refuses regular Pedigree cat food and waits impatiently for the more expensive fare to arrive in her bowl—the one that, apparently, smells right.

Bella's preference is more than a fussy pet's eating habit. It reflects a broader shift taking place in the pet-care market, where pet owners are increasingly willing to pay a premium for products they believe are better suited to their animals.

“A few years ago, expensive pedigree food like Royal Canin was a rarity and vanity in local pet shops,” says Renjith K.J., an amateur dog breeder. Today, however, premium brands such as Royal Canin have become increasingly common in pet stores, reflecting a growing appetite for high-end pet products. The transformation accelerated during the COVID-19 pandemic, when pet ownership and spending on pets surged. A story published in The Hindu on July 25, 2026 , highlighted how the pet industry boomed during the pandemic and underwent significant changes in the years that followed.

One of the most visible consequences has been the premiumisation of pet care. What was once considered an optional or indulgent expense is increasingly being treated as an essential part of pet ownership. Pet insurance offers another example of this changing consumer mindset. Once an unfamiliar concept in India, pet insurance is gradually gaining attention as owners begin to view veterinary care and financial protection as part of responsible pet ownership.

The numbers point to a market with considerable room for growth. According to data from IMARC, the global pet-care products market reached \$48.6 billion in 2025. The market is projected to grow at a compound annual growth rate (CAGR) of 5.24% between 2026 and 2034. Medical expenditure: Dr. Soorej K., founder of Cochin Pet Hospital, Kerala's first private multi-speciality veterinary hospital, says the changing culture of pet ownership has significantly influenced attitudes towards pet care.

“The shift in the culture of raising dogs has resulted in a change in the attitude towards pet care. Pet parents nowadays consider pets as family members,” he says. This shift, he adds, has created a demand for more advanced and specialised treatment, which often comes at a higher cost. “Expensive treatments like haemodialysis, laparoscopic surgery, keyhole animal birth control, etc., are offered nowadays for pets like dogs and cats. Pet parents specifically ask for these novel methods of healthcare,” Dr. Soorej says.

Healthcare for pets has become an increasingly expensive affair. Aswathi, a teacher from Kozhikode district in Kerala, lost her pet dog, Appu, to heart disease. Before his death, she had spent nearly ₹2 lakh on his treatment. Although government veterinary hospitals offer several advanced treatments at significantly lower costs, various factors make them a second choice for many pet parents. “Appu had a very serious heart disease and was prone to infections. From many of my friends' experiences, I was sceptical about the cleanliness of government veterinary hospitals,” Aswathi says.

She also recalls struggling to find a government veterinary hospital during a late-night emergency, as many of them had already closed. This is where pet insurance becomes relevant. One of the major players in the sector, Bajaj Allianz, entered the pet insurance market in 2021. Amarnath Saxena, Chief Technical Officer of Bajaj General Insurance, says the company launched its product after observing that people were increasingly considering their pets part of the family. “This shift has naturally led to higher spending on their health and well-being,” Mr. Saxena says.

Yet, pet insurance remains largely unfamiliar to the wider public. Unlike health or motor insurance, advertisements for pet insurance are rarely seen on hoardings, digital screens or mainstream media. Social media promotions, too, are often visible only to users whose online behaviour suggests an interest in pets.

Despite knowing that pet insurance existed, Aswathi was oblivious of its importance and the financial benefits it could offer. Dr. N.K. Buddhan, a former veterinary doctor who now works as an insurance consultant for United India Insurance, says pet insurance is generally promoted through specialised channels. “Pet insurance is promoted through dedicated channels like veterinary hospitals, kennel clubs and pet shows,” he says.

Dr. Buddhan has even encountered cases involving dogs valued at around ₹2 crore, whose owners insured them against untoward incidents during transportation and training.

Hospitals as a channel for awareness: Veterinary hospitals are increasingly becoming an important channel for spreading awareness about pet insurance. Dr. Soorej's Cochin Pet Hospital is among those encouraging pet parents to consider insurance as the cost of pet ownership and medical treatment continues to rise. Many hospitals, including Cochin Pet Hospital, now discuss insurance options with their clients.

“A premium that starts with an annual premium of just ₹1700 saves a lot of money that the pet parents don't realise they spend,” he said. Your pet got a cover? “Overall, the portfolio has recorded a CAGR of approximately 20%, reflecting the growing awareness among pet parents about the importance of protecting their pet's health,” says Mr Saxena. “Pet insurance is a category that makes strong financial sense, and its growth prospects are promising.”

The growing adoption of pet insurance is also evident at veterinary hospitals. Dr. Soorej says the steady increase in customers opting for insurance at his hospital reflects pet parents' growing willingness to invest in high-quality healthcare for their animals.

Dr Budhhan notes that the policy he endorses covers pets between six months and eight years of age against a wide range of diseases and accidents, as well as risks such as theft.

Insurers are also expanding the scope of coverage with new and unconventional features. For instance, ICICI Lombard has introduced 'behavioural support' for pets, covering interventions for abnormal stress and psychological adjustment issues, including severe anxiety, trauma and difficulties adapting to new circumstances.

“Reports show that Indian pet parents increasingly view pets as emotional companions, leading to higher spending on specialised care and lifestyle support. Behavioural issues often escalate into health problems, making early intervention crucial. By adding behaviour support, the service delivers holistic care that aligns with evolving pet parent expectations,” says Girish Sehgal, Chief of Health Underwriting & Claims, Customer Service & Operations at ICICI Lombard.

Is pet insurance practical?

A pioneering Malayalam sitcom once had a hilarious episode featuring the fictional 'Thekkummoottil Insurance Corporation', which, in an absurdly funny twist, offered insurance for “dogs also”. In the 2000s, the idea of insuring a dog was largely a punchline. Today, however, pet insurance is emerging as a serious and rapidly growing business, with insurers introducing increasingly specialised products for pet parents.

According to research by IMARC, India's pet insurance market generated revenue of \$331.1 million in 2025. The market is projected to show a CAGR of 12.6% between 2026 and 2034, reaching an estimated \$993.4 million by 2034.

A pioneer in promoting pet insurance, like Dr. Buddhan, has more than just compelling stories about pet insurance to share; he also has plenty to say about how it can remain an inaccessible form of security for many pet parents. From his experience, not many pet owners are keen on insuring their pets, despite insurance plans offered by several brands covering dogs and cats against a range of risks, from accidental poisoning to serious illnesses. One of the key reasons, he says, is the lack of feasibility of implementing insurance processes in veterinary hospitals.

Dr. R. Jayaprakash, founder of J.P. Pet Speciality Hospital, says the absence of proper documentation at many veterinary hospitals makes the process particularly difficult. “Most hospitals do not maintain a proper database, which makes it difficult to claim pet insurance,” he says. He adds that many hospitals are reluctant to process cashless claims because reimbursements can take months or even years. “Many diagnoses can cost a hefty amount, but one will not get an insurance claim unless the pet is admitted to the hospital,” he says.

Such limitations leave pet owners with little incentive to purchase insurance, a situation that is equally discouraging for insurance agents looking to promote policies through veterinary hospitals, Dr. Jayaprakash adds. “I have asked insurance agents to simplify the insurance criteria, which would encourage pet owners to buy policies,” he says.