



## **ABI response to the Scottish Parliament Public Petitions Committee**

Pet insurance provides peace of mind to pet owners, knowing they will be covered for the cost of potentially high veterinary bills should their pet need treatment.

The latest ABI figures show the average cost of a claim is £679, but the cost of covering ongoing conditions can run into thousands of pounds over a number of months or years. This highlights the potential cost of veterinary treatment and why some pet owners can struggle to afford unplanned medical care for their pets.

For this reason, pet insurance can play an important role in giving pet owners the reassurance they will be covered if their pet requires treatment for an injury or illness, helping their pets to live longer, healthier lives. Alongside this, pet insurance can provide a number of other such as third party liability or holiday cancellation if you can't travel because a pet becomes unwell.

However, the ABI does not believe that compulsory pet insurance through law is the correct approach to ensuring the welfare of pets. The current pet insurance market works well and the number of potential issues and unintended consequences of implementing compulsory pet insurance through law would be bad for both pets and their owners.

Potential issues include:

1. Previous proposals by the UK Government to make third party liability insurance compulsory for dog owners were abandoned as the Government did not want to punish the vast majority of responsible dog owners and were deemed unworkable. The ABI encourages responsible pet ownership, and while having insurance can be a part of this, responsible owners should also have the flexibility and option to self-insure, or use other methods (payment plans) to ensure their pet can receive the treatment necessary if they are injured or get ill.
2. Those who are unable to afford treatment may also be those least able to afford insurance, particularly if they are higher risk. Compulsory pet insurance would penalise responsible pet owners who cannot afford insurance, from owning a pet.
3. The practical implementation of implementing this policy, the costs and administration would not be easy. The different legal regimes between England and Scotland would also create potential issues.
4. Policing the implementation of pet insurance for all pets would be difficult. Who would do this and how would it be paid for?
5. What would happen in the event of an uninsured pet requiring treatment, damaging property or injuring an individual? Who would pay for any treatment required or damage caused?
6. Such a move is likely to increase veterinary fees, which are already subject to upwards pressures due to increased veterinary costs. The result would then be higher premiums paid for by pet owners. Pet ownership could become unaffordable to many, unfairly punishing responsible pet owners who cannot afford pet insurance premiums, or creating a number of owners to break the law and not insure their pets.

With respect to how the insurance industry promotes pet insurance, individual insurers highlight the benefits of pet insurance through their own channels, including their own websites and advertising campaigns (online, magazine, social media, tv). More broadly, the ABI promotes the value of pet insurance through the media, the publishing of claims data and publishing consumer guidance.