



# METHODOLOGY

## PET INSURANCE STAR RATINGS

### What are the CANSTAR *Pet Insurance Star Ratings*?

CANSTAR's *Pet Insurance Star Ratings* use a sophisticated rating methodology, unique to CANSTAR, that compares pet insurance products in Australia and presents the results in a simple, user-friendly format. CANSTAR star-rated products represent a shortlist, which narrows the search for consumers to products that have been reviewed, assessed and ranked. The *CANSTAR Pet Insurance Star Ratings* are a transparent and comprehensive analysis of pet insurance policies, comparing more than 2,600 quotes from 19 different insurers. In determining the star ratings of each individual insurer, the results are used to determine a winner for Accident only, Accident and illness and Comprehensive cover.

The results are reflected in a consumer-friendly five-star concept with five stars denoting outstanding value to the consumer.

### What are the profiles used by CANSTAR?

CANSTAR has adopted profiles by grouping relevant pet breeds and the ages of pets across three product types.

### Profile Descriptions

The breakdown of profiles considered in Pet Insurance Star Ratings is as follows:

#### Cover Type

- Accident Only
- Accident and Illness
- Comprehensive

#### Pet Type

- Small breed dog
- Medium breed dog
- Large breed dog
- Unknown breed dog
- House Cat

#### Age Type

- Young: <1-4 years
- Mature: 5-9 years

### Eligibility Requirements

A provider must meet the following criteria to be considered for inclusion in our rating:

- Is available directly to the consumer through its website and not through an affiliated organization (e.g. pet shop)
- Must be a standalone cover e.g. not pet cover as an additional extra to home and contents insurance



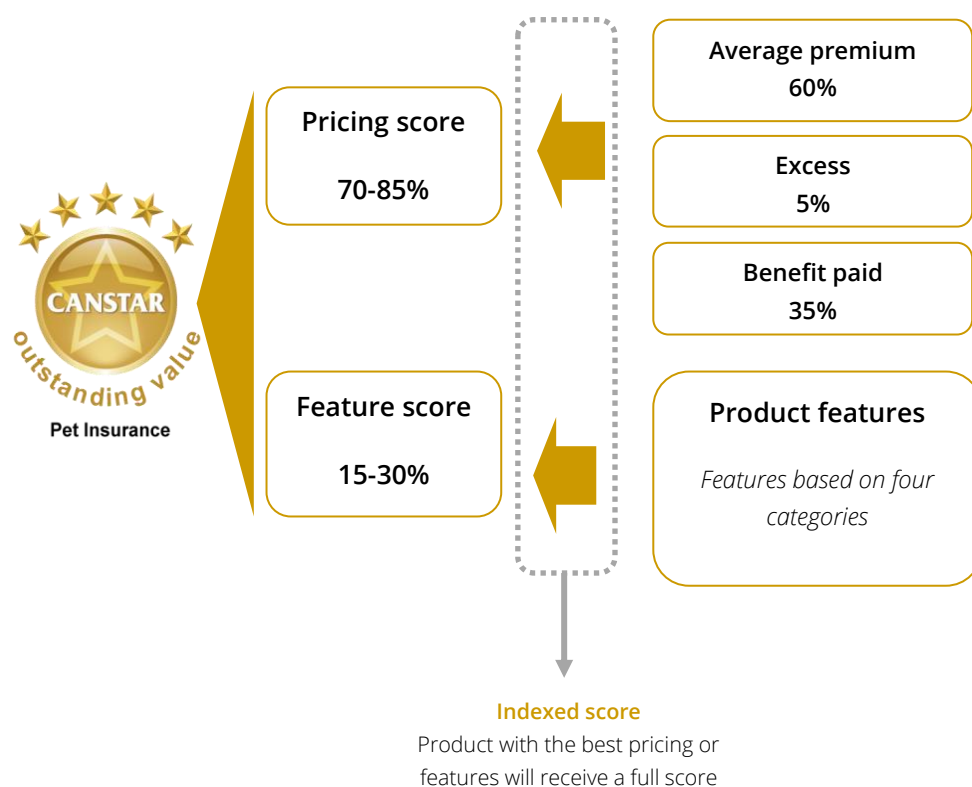
## How is the CANSTAR Pet Insurance Star Ratings calculated?

The *Pet Insurance Star Ratings* consist of three separate product types, as shown. The rating process for each of these cover types employs a separate star ratings methodology consistent with the pricing and features model of the CANSTAR star ratings.

Each pet insurance product reviewed for the *CANSTAR Pet Insurance Star Ratings* is awarded points for its comparative pricing and for the array of positive features attached to the product. Points are aggregated to achieve a "Pricing" score and a "Feature" score.

To arrive at the total score, CANSTAR applies a weight (w) against the Pricing and Feature scores. These weights will vary with each product and will reflect the relative importance of either costs or features in determining the best product. This method can be summarised as:

$$\text{TOTAL STAR RATINGS SCORE (T)} = \text{W1 PRICING SCORE (P)} + \text{W2 FEATURES SCORE (F)}$$



The weights for price and feature scores for each product type are:

Profile	Price	Feature
Accident Only	85%	15%
Accident and illness	75%	25%
Comprehensive	70%	30%

## Pricing score

CANSTAR's assessment of the pricing score for Pet Insurance Star Ratings is based on the average premium, benefit paid to the policy holder and excess paid. The pricing score is used to gauge and weigh the cost associated with taking out the policy with the benefits received at point of claim.

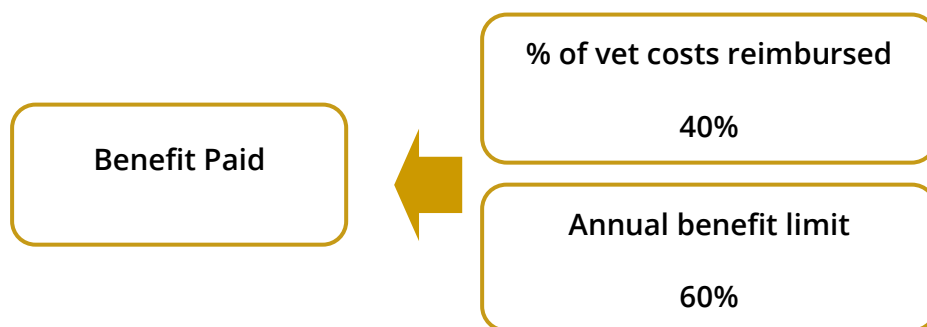
## Average premium

The assessment of premium is based on the policy type, breed of dogs and cats and the ages of pet.

For consistency and comparison purposes, annual quotes are used. Across the market, premiums for cats remain relatively the same despite the breed therefore our assessment of premiums for cats is based on the selected ages of cat.

## Benefit paid

Assessment of the benefit paid takes into consideration the annual benefit limit in addition to the percentage of vet costs reimbursed at point of claim.



## Excess

Assessment of excess is based on the required excess policy holders need to pay when making a claim.

Providers who offer \$0 excess are awarded maximum points, while those who offer the average excess are awarded half a point.

## Feature score

Over 100 different features are assessed from four different feature categories, all of which are allocated appropriate weights. Based on the points received, each individual policy receives a total feature score. This total score is then weighted against the weights provided in the table for their respective profile feature score. The feature score is then indexed and weighted by its 15-30% weighting to provide the final feature score.

Feature categories	Descriptions	Accident Only	Accident and illness	Comprehensive cover
<b>Policy conditions</b>		<b>30%</b>	<b>20%</b>	<b>15%</b>
Specific conditions	Lists flexibilities in taking the policies, e.g. minimum and maximum entry age for cover, waiting period, \$0 excess option, etc.	70%	55%	57%
Conditions	Lists the conditions of cover, e.g. must commit to dental check once yearly, pets must be vaccinated against particular diseases	-	18%	17%
Exclusions	Lists what is excluded from cover, e.g. pre-existing conditions, elective procedures and treatment, ambulance fees, dental procedures, regular prescription diets etc.	30%	27%	26%
<b>Standard inclusions</b>		<b>40%</b>	<b>45%</b>	<b>50%</b>
Accident cover	Captures the types of injuries resulting from an accident, e.g. a bone fracture	30%	20%	15%
Illness	Captures the types of illnesses covered under the policy, e.g. cancer treatment	-	45%	40%
Treatment	Captures the types of treatments covered in the policy, e.g. hospitalisation	70%	35%	35%
Routine care	Captures the additional routine care available	-	-	10%
<b>Benefits and options</b>		<b>10%</b>	<b>15%</b>	<b>20%</b>
Discounts	Lists the discounts offered, e.g. discount for additional pets, service dogs	85%	85%	85%
Special features	Lists additional features provided by insurers, e.g. overseas pet travel insurance, death procedures	15%	15%	15%
<b>Claims and application process</b>		<b>20%</b>	<b>20%</b>	<b>15%</b>
Claims	Captures the number of days for claims to be submitted and received from time treatment is provided, late submission fee, etc.	45%	45%	45%
Application process	Captures the accessibility of applying for cover on the phone, online or by post, etc.	55%	55%	55%

## Awards to institutions

In conjunction with the *Pet Insurance Star Ratings*, CANSTAR has awarded three separate awards to the insurers who provide outstanding value in the following categories:



**Pet Insurance  
Accident Only**



**Pet Insurance  
Accident and Illness**



**Pet Insurance  
Comprehensive Cover**

These are awarded to insurers that provide the best combination of products across the pet insurance star ratings profiles, as well as excelling in a range of features. The award aims to give recognition to those insurers offering quality products with desirable features to pet owners in a particular category.

## How is the CANSTAR Pet Insurance AWARD calculated?

The maximum total score of each pet breed and age profile is taken from each insurer and is indexed against the maximum possible top score in each pet and age profile. This produces an indexed score, which is then weighted against the profile type weights provided in the methodology tree below. Each profile type score is then summed to determine the final award winner for each category. For dogs, the breeds are divided into separate profiles of large dog breed, medium dog breed, small dog breed and unknown dog breed. Small, medium and large breed dogs are weighted at 20% each and 10% for unknown dog.



**Pet Insurance**

**Dog  
70%**

**Cat  
30%**

The ages of pets have been grouped into two profiles of young and old. Young pets are from less than 1 to 4 years and old pets are 5 to 9 years of age. The age profiles are weighted equally at 50%.

## Does CANSTAR rate all products available in the market?

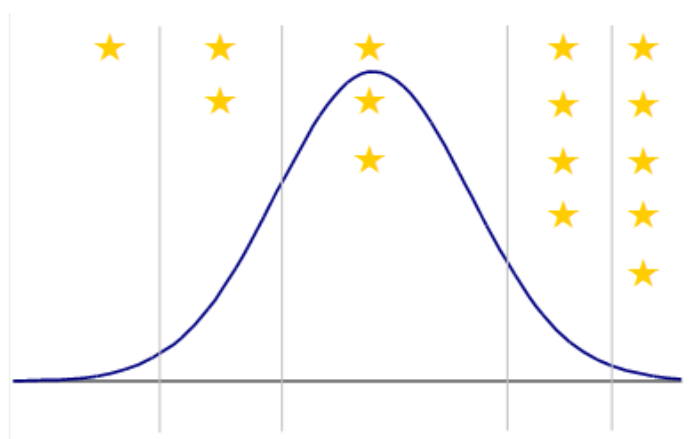
We endeavour to include the majority of product providers in the market and to compare the product features most relevant to consumers in our ratings. However, this process is not always possible and it may be that not every product in the market is included in the rating nor every feature compared that is relevant to you.

## How often are CANSTAR *Pet Insurance Star Ratings* re-rated?

All ratings are fully recalculated every 12 months based on the latest pricing and features offered by each insurer.

## How are the stars awarded?

Star Ratings are very selective and are only awarded to those institutions that demonstrate truly outstanding value. Once all the scoring from the methodology is completed the results are distributed across a bell curve. The policies that achieve a score in the top 5-10%, relative to the pet insurance policies rated, are awarded a CANSTAR five-star rating, and the subsequent star ratings are distributed accordingly.



## Does CANSTAR rate other product areas?

CANSTAR researches, compares and rates the suite of banking and insurance products listed below. These star ratings use similar methodologies to guarantee quality, consistency and transparency. Results are freely available to consumers who use the star ratings as a guide to product excellence. The use of similar star ratings logos also builds consumer recognition of quality products across all categories. Please access the CANSTAR website at [www.canstar.com.au](http://www.canstar.com.au) if you would like to view the latest star ratings reports of interest.



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|---------------------------|------------------------|----------------------|
| • Account-based pensions  | • Home loans           | • Superannuation     |
| • Agribusiness            | • Landlord insurance   | • Term deposits      |
| • Business banking        | • Life insurance       | • Travel insurance   |
| • Business life insurance | • Managed investments  | • Travel money cards |
| • Car insurance           | • Margin lending       | • Youth banking      |
| • Credit cards            | • Online banking       |                      |
| • Deposit accounts        | • Online share trading |                      |
| • Direct life insurance   | • Package banking      |                      |
| • First home buyer        | • Personal loans       |                      |
| • Health insurance        | • Pet insurance        |                      |
| • Home and contents       | • Rewards programs     |                      |

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