



# METHODOLOGY

## PET INSURANCE STAR RATINGS

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

CANSTAR's *Pet Insurance Star Ratings* involve a sophisticated rating methodology, unique to CANSTAR which compares pet insurance products in Australia. CANSTAR star ratings represent a shortlist of products, narrowing the search for consumers to products that have been reviewed, assessed and ranked.

The CANSTAR Pet Insurance Star Ratings is a transparent analysis comparing all types of pet insurance policies including Accident Only, Accident and Illness and Accident, Illness and Routine Care for an array of characteristics such as:

- Premiums
- Discounts or refunds
- Benefit payout
- Features

The results are reflected in a consumer-friendly 5-star concept with 5-stars signifying outstanding value offered by the product.

### Eligibility requirements for CANSTAR's *Pet Insurance Star Ratings*

To be eligible for a star rating, the pet insurance policy must meet the following requirements:

- The pet insurance product must be directly available to the consumer through a providers 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
- Must be a lifetime policy

### How is the CANSTAR *Pet Insurance Star Ratings* structured?

The CANSTAR *Pet Insurance Star Ratings* methodology has been designed to reflect various pet profiles. Specifically the ratings consist of the following sub-sections:

#### Cover Type:

- Accident Only
- Accident and Illness
- Comprehensive Cover (Accident, Illness and Routine Care)

#### Pet Type:

- Small Dog Breed
- Medium Dog Breed
- Large Dog Breed
- Giant Dog Breed
- Cat

#### Age:

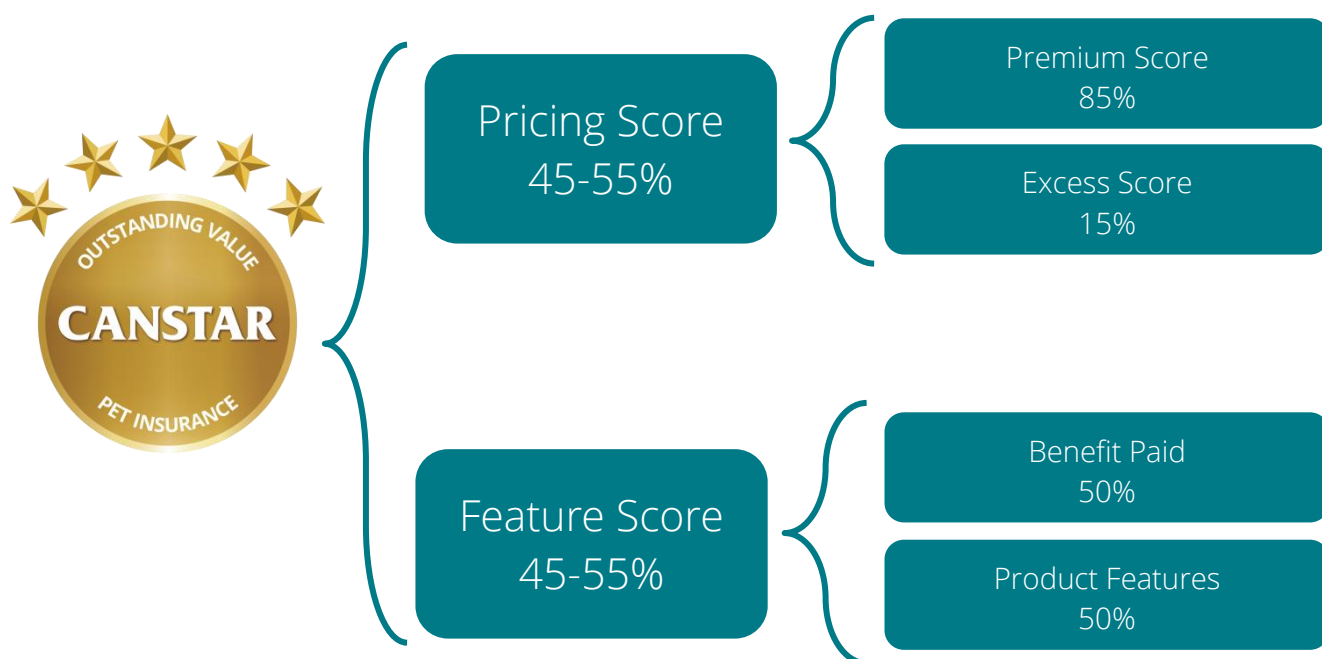
- Less than 1 years old
- 2 to 3 years old
- 4 to 5 years old
- 6 to 7 years old

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

The CANSTAR *Pet Insurance Star Ratings* calculations are based on a comparison of costs (including the average premium and value of benefit per dollar of premium), benefit paid and key features which are considered important to pet insurance policies (applications and claims process, policy conditions, standard inclusions etc.). Points are aggregated to achieve a Pricing Score (P) and a Feature Score (F).

To arrive at the total score, CANSTAR applies a weight (w) against the P and F. The weights reflect the relative importance of either costs or features in determining the pet insurance policy offering outstanding value. This method can be summarised as:

$$\text{TOTAL SCORE ( T )} = w1 * \text{PRICING ( P )} + w2 * \text{FEATURES SCORE ( F )}$$



Below provides a breakdown of the weights allocated to Price and Features based on profile:

Profile	Price	Feature
Accident Only	55%	45%
Accident and Illness	50%	50%
Comprehensive Cover	45%	55%

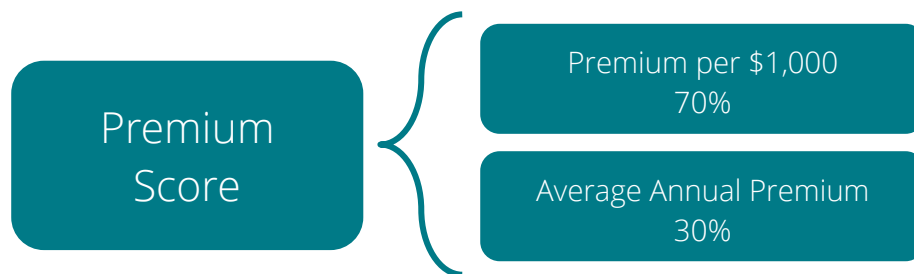
## Pricing Score

CANSTAR's assessment of the pricing score for *Pet Insurance Star Ratings* is based on two components which include a Premium Score and Excess Score. The pricing score is used to gauge and weigh the cost associated with taking out the policy and out of pockets in terms of excess.

### Premium Score

The Premium Score is largely used to measure the value of a policy by calculating the price paid for each \$1,000 of benefit available. The policy offering the lowest cost per \$1,000 of benefit will receive the full score and all other policies are indexed against it.

On the other hand the incorporation of Average Annual Premium calculation looks to establish the additional cost consumers are willing to pay in order to receive more benefit. The policy with the lowest premium will receive full score and all other policies are indexed against it.



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

For consistency and comparison purposes, annual quotes are used. Note that across the market premiums for cats remain relatively static across different breeds therefore our assessment of premiums for cats is based on age.

### Excess Score

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

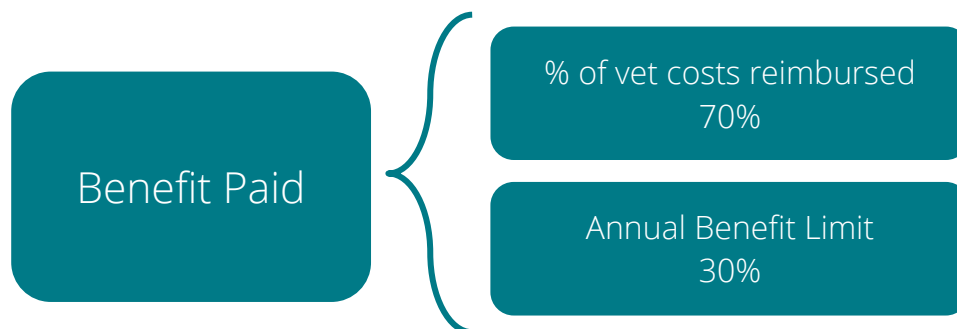
Providers who offer \$0 excess are awarded maximum points, while those who offer the average excess are awarded half a point.

## Feature Score

The Feature Score is effectively used to offset the features and benefits policy holders receive with the cost associated.

## 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.



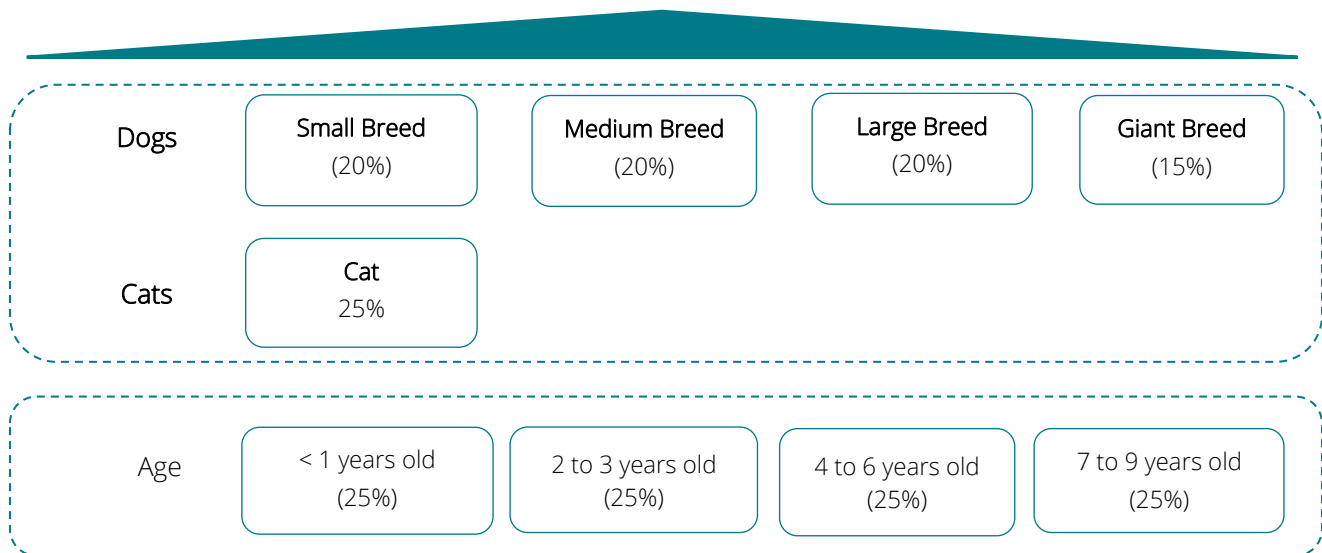
## Product Features

The feature score is calculated by dividing features into four categories, with each category carrying a point allocation and weighting. The product with the highest features score is allocated the maximum score, with all remaining products indexed against it. The features categories and subcategories are:

Feature categories	Accident Only	Accident and illness	Comprehensive Cover
<b>Policy conditions</b>	<b>30%</b>	<b>20%</b>	<b>15%</b>
General Conditions	70%	55%	55%
Conditions of Cover	-	20%	20%
Specific Inclusions	30%	25%	25%
<b>Standard inclusions</b>	<b>40%</b>	<b>45%</b>	<b>50%</b>
Accident Inclusions	30%	20%	15%
Illness Inclusions	-	45%	40%
Treatment Inclusions	70%	35%	35%
Routine care Inclusions	-	-	10%
<b>Benefits and options</b>	<b>10%</b>	<b>15%</b>	<b>20%</b>
Discounts	85%	85%	85%
Special features	15%	15%	15%
<b>Claims and application process</b>	<b>20%</b>	<b>20%</b>	<b>15%</b>
Application process	30%	30%	30%
Claims	40%	40%	40%
Support	30%	30%	30%

## Awards to Insurers

CANSTAR names the insurer or insurers who offer outstanding value based on their star ratings performance across sixty profiles. The sixty overall profiles are determined by three categories- cover type, pet type and age of pet, allowing consumers to identify their pet's demographic and create a shortlist of products to match their needs and or budget. The star ratings across all profiles help to arrive at an overall award for each cover type.



### 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 all the products reviewed for rating purposes?

This award is recalculated every 12 months, based on the latest submissions from each institution. CANSTAR also monitors changes on an ongoing basis.

## 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.

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



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