



METHODOLOGY

PET INSURANCE STAR RATINGS

What are the Canstar *Pet Insurance Star Ratings*?

Canstar's *Pet Insurance Star Ratings* use a sophisticated and unique ratings methodology that compares both cost and features across pet insurance products. Canstar's *Pet Insurance Star Ratings* represent a shortlist of products, enabling consumers to narrow their search to products that have been assessed and ranked.

Ratings range from five to one star. Five-star rated products have been assessed as offering outstanding value to consumers.

Eligibility requirements for Canstar's *Pet Insurance Star Ratings*

To be eligible for inclusion in the Canstar *Pet Insurance Star Ratings*, a pet insurance policy must:

- ✓ be available to the consumer directly through the provider's website and not through an affiliated organisation (e.g. pet shop)
- ✓ be a standalone cover e.g. not pet cover as an additional extra to home and contents insurance
- ✓ be a lifetime policy
- ✓ For comparison purposes, a quote must be available directly to Canstar, online, or through rates available in the PDS.

How is the Canstar *Pet Insurance Star Ratings* structured?

Pet Insurance products are rated across 48 profiles, including 3 cover types, 4 pet types, and 4 age groups, with a star rating assigned for each profile.

The cover types, pet types, and pet ages considered within each profile are as follows:

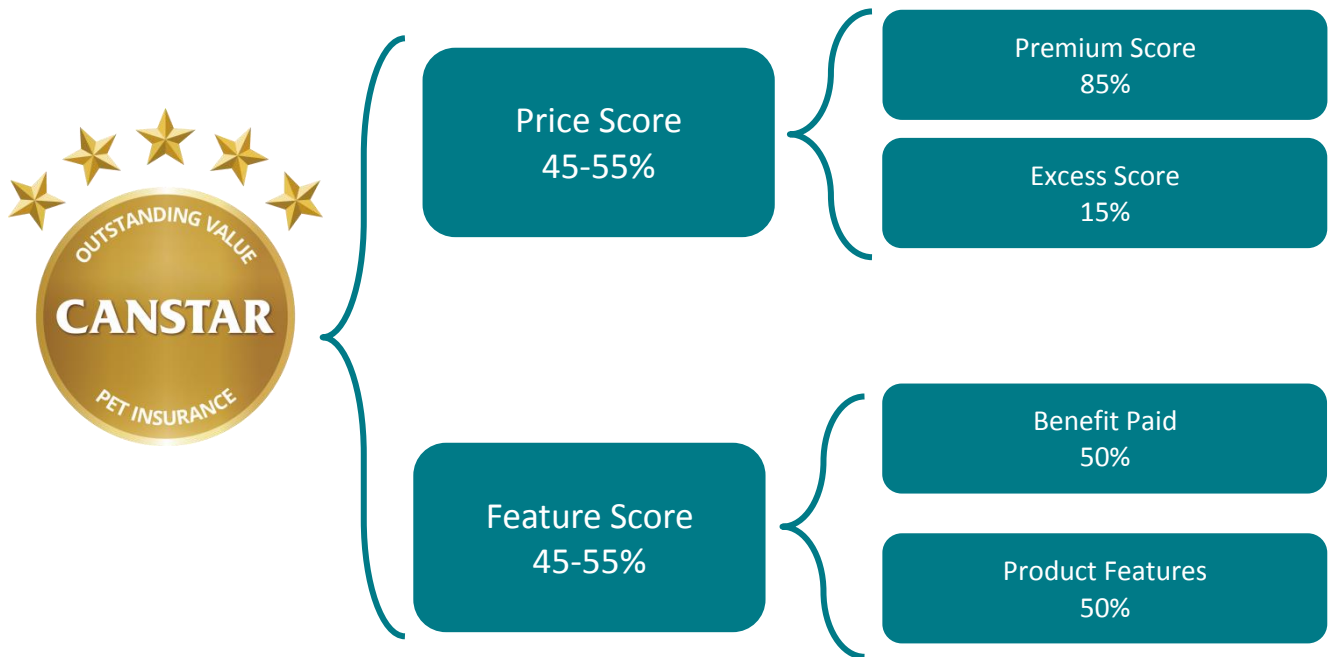
Cover Type	Pet Type	Pet Age
Accident Only	Small Dog Breed	Less than 1 year old
Accident and Illness	Medium Dog Breed	2 to 3 years old
Accident, Illness and Routine Care (Comprehensive)	Large Dog Breed	4 to 5 years old
	Cat	6 to 7 years old

How is the Canstar *Pet Insurance Star Ratings* calculated?

Each eligible pet insurance product reviewed is awarded points for its comparative pricing and for the array of positive features attached to the product. Points are aggregated to achieve a price score and a feature score.

To arrive at the total score, Canstar applies a weight against the price score and the feature score. The weights reflect the relative importance of costs and features in determining the products offering outstanding value. This method can be summarised as:

$$\text{Total Score} = \text{Price Score} + \text{Features Score}$$



The table below provides a breakdown of the weights allocated to the Price Score and Feature Score based on profile:

Profile	Price	Feature
Accident Only	55%	45%
Accident and Illness	50%	50%
Accident, Illness and Routine Care (Comprehensive)	45%	55%

Price Score

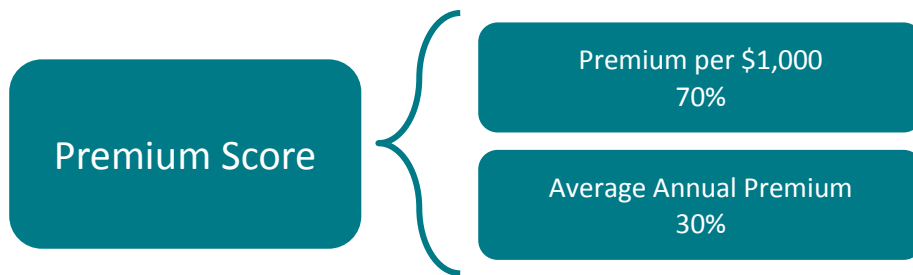
The price score is used to gauge and weigh the cost associated with taking out the policy and out of pockets in terms of excess payable. The Price Score is based on two components, a Premium Score and an Excess Score.

Premium Score

Pet insurance policies offer different amounts of benefit across products. As such, two considerations are taken into account when assessing premiums.

The premium for pet insurance per \$1,000 of cover is used as one point of cost comparison. Peer products are compared and the product with the lowest cost per \$1,000 of cover is awarded the highest premium score and all other policies are indexed against it.

In addition, the average annual premium looks at the actual cost of the policy, regardless of the benefit available. The policy with the lowest premium receives a full score and all other policies are indexed against it.



To maintain consistency across providers and premiums Canstar uses some general assumptions when obtaining annual premiums. This includes but is not limited to a targeted excess and age of the pet owner. Quotes are obtained for three policy types, six states, four pet types and four age groups. While two dog breeds across three different sizes are considered, only one breed of cat is considered as market premiums for cats are relatively flat across breeds.

Excess Score

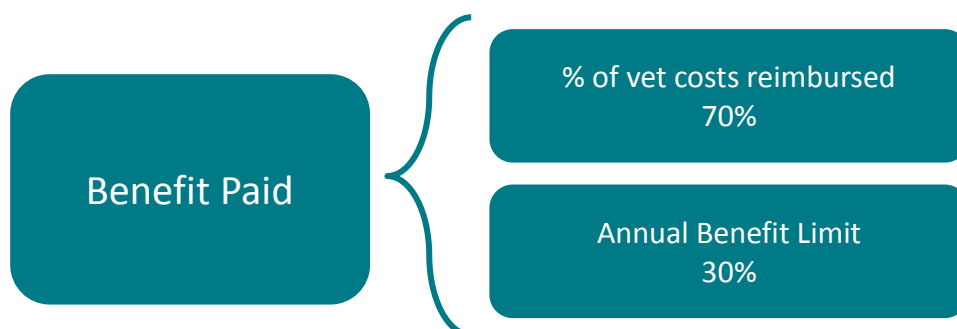
For comparability, one necessary assumption made is regarding the excess payable on the policy in the event of a claim. In general, the lower the excess the higher the premium will be, and vice versa. When the targeted excess payable selected for quoting purposes is not offered for a product, the closest excess offered for the product is instead selected. An excess score is awarded to compensate products with a lower excess being used for quoting purposes relative to the market.

Feature Score

The feature score incorporates the features offered and the benefits policy holders receive.

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

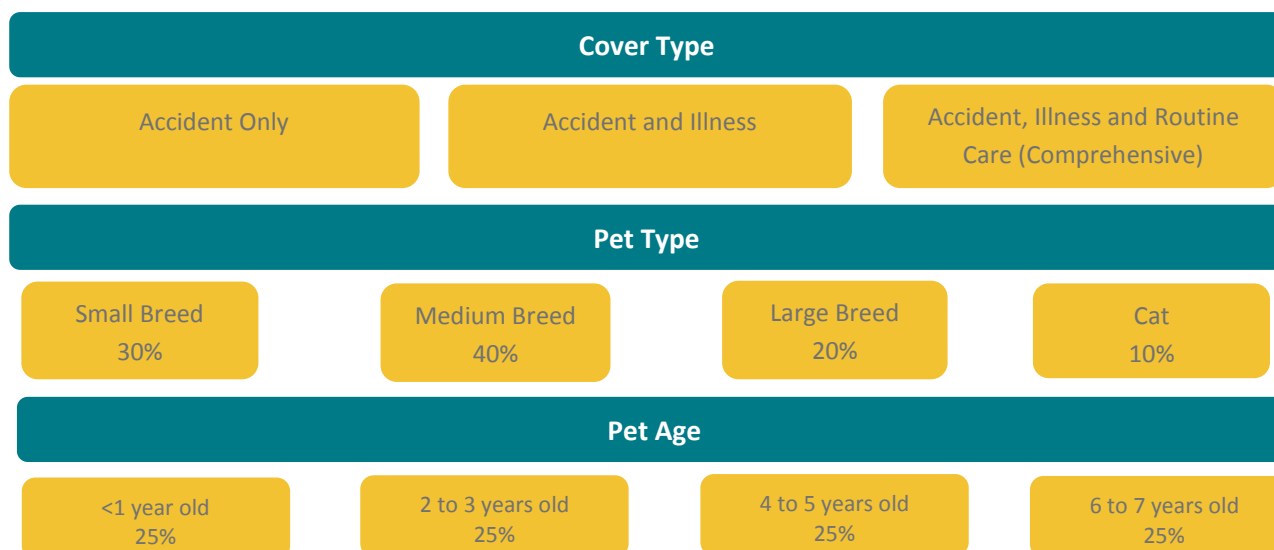
Product features are assessed across 12 subcategories. The product with the highest feature score is allocated the maximum score, with all remaining products indexed against it.

The feature categories and subcategories are:

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

Canstar Pet Insurance Awards

Canstar names the insurer or insurers who offer outstanding value based on their star ratings performance across 16 profiles for each type of cover. The 48 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, as follows:



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 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?

All ratings are fully recalculated every 12 months based on the latest features offered by each provider. Canstar also monitors changes on an ongoing basis. The results are published in a variety of mediums (newspapers, magazines, television, websites, etc.)

How are the stars awarded?

Products are ranked based on the total score received for each profile. Stars are then awarded based on the distribution of the scores with the objective to award the top 5-10% of products with the Canstar five-star rating.

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 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



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