

**A VETERINARIAN'S GUIDE TO**  
**PET HEALTH**  
**INSURANCE**



**AVA**

## Topics covered

- Why your clients should consider pet insurance
- Why more clients don't use pet insurance
- Facts about pet insurance
- Making pet insurance work in your practice
- Promoting pet insurance - your legal obligations

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### Why your clients should consider pet insurance

Pet insurance is a valuable tool that can ensure companion animals receive necessary treatment without financial hardship for their owners. Many clients face situations where they cannot afford treatments, leading to difficult decisions about their pet's care. With pet insurance, clients are more likely to afford major medical emergencies and preventative care, depending on their policy.

As veterinary treatments become more advanced, the associated costs also rise. Pet insurance provides a financial safety net for clients, making specialist referrals and advanced treatment options much more accessible.

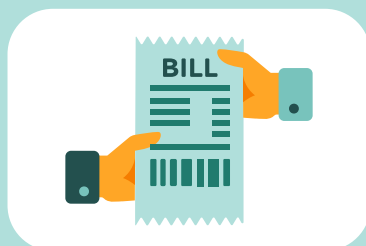
### Why more clients don't use pet insurance

In Australia, pet insurance uptake is relatively low compared to other countries like the UK. However, it has grown significantly in recent years.

According to the latest Animal Medicines Australia Pets in Australia report, 12% of cat owners and 17% of dog owners have pet insurance. The primary reasons for not having pet insurance include:



A third of pet owners don't see its value



More than a third find it too expensive



A quarter haven't explored the option

# Making pet insurance work in your practice

Veterinarians play a key role in encouraging the uptake of pet insurance, however, they **must avoid recommending specific products**. Here's how to promote it within your practice:

## A Appoint an Insurance Coordinator

Assign a staff member, such as a veterinary nurse or practice manager, to coordinate insurance-related queries. Ensure all staff are trained to discuss pet insurance.

## B Understand the System

Familiarise yourself with different providers' policies and claims processes. This helps guide clients in the right direction when they have questions about claims.

## C Train Your Team

Ensure your team understands the benefits of pet insurance for patients and clients. They should know the rules regarding promoting financial products and avoid recommending specific insurers, brands or policies.

In many circumstances employers may be liable for the actions of their employees. Therefore, it is important that staff are trained when providing information in relation to pet insurance.

## D Educate Clients

Some simple ways to inform clients include:

- Adding general pet insurance information to new puppy or kitten packs and at Puppy School or Kitten Kindy.
- Placing general information about the benefits of pet insurance in your client newsletters, social media and website.
- Asking clients whether they have pet insurance when booking appointments.
- Placing information about pet insurance in the reception area and exam rooms. Note:
  - This should be **general** in nature (it should not include any information that would include advice, recommendation or give an opinion).
  - If any documents provided by pet insurance providers about their products are displayed, a range of different brands should be made available.
  - If you are not certain that the contents of the documents are factual in nature only, then it is best that they are not provided to the client.

## E Manage Client Expectations

- Various policy options exist to suit client needs:
  - Lifetime policies
  - Maximum benefit policies
  - 12-month policies
  - Accident-only policies
- Policies vary in terms of premiums, excess options, and coverage. While many cover surgeries, hospitalisation and medications, routine and preventative care such as dental treatment and vaccinations may not be included.
- When discussing pet insurance with clients, vets should explain that policies can vary between insurers and highlight key considerations when choosing the right policy for their needs such as pre-existing condition clauses and exclusions, waiting periods and premium increases. Clients should always review a the Product Disclosure Statement (PDS) for full details.
- Disputed claims can be escalated to the Australian Financial Complaints Authority (AFCA), which can recommend resolutions.

## F Flag Medical Records

Flag insured patients in the medical record to help guide conversations about treatment options. Always verify that the insurance policy is active and ensure informed consent from the client before undertaking any procedure.

**G****Claims Processing**

Clients are usually responsible for submitting claims, but providing support can help streamline the process. Capturing treatment details during billing and sending claim forms directly to insurers can save time and ensure clients are reimbursed quickly.

Check with the insurers as to how they manage claims and request more information or training for the practice team from service providers around this.

**H****Disputes**

If there's a dispute between a client and their insurer, vets can suggest the following steps:

1. Start with the insurer's Internal Dispute Resolution (IDR). Contact the insurer through their formal complaint process, they typically have 30 days to respond.
2. If unsatisfied escalate to AFCA. Clients can take disputes to the Australian Financial Complaints Authority (AFCA) if the insurer's response is unsatisfactory, or if they haven't responded within the required timeframe. AFCA's service is free, independent and impartial.
3. What AFCA handles - AFCA considers disputes related to general insurance products (including pet insurance) such as claim denials, delays, policy interpretations, premiums, privacy issues, and service concerns.
4. How to Contact AFCA
  - Phone: 1800 931 678 (free call within Australia)
  - Email: [info@afca.org.au](mailto:info@afca.org.au)
  - Online Portal: Submit and manage your complaint via AFCA's website
  - Mail: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001



# Promoting pet insurance - your legal obligations

## Background

Pet insurance is considered a **financial product** under the *Corporations Act 2001* (the Act). Any person that is providing financial product advice must have (or be an authorised representative under) an Australian Financial Services Licence (AFSL). If you do not hold an AFSL and are not an authorised representative, then you cannot provide financial product advice or else you will be subject to civil or criminal penalties.

Under the Act section 766B(1), a person is 'providing financial products advice' if they make a specific recommendation, or give a statement of opinion, that is intended to influence a person's decision (or could be interpreted that way), in relation to a particular financial product.

### Veterinarians and their staff must only:

- give factual information about a pet insurance product to a client. No offer of advice, recommendation or opinion should be given that may influence the client's decision to purchase the pet insurance product; and
- refer the client to the pet insurance provider's contact details to obtain advice or obtain pet insurance

Otherwise, a client may perceive this as personal financial product advice, especially if they assume the veterinarian has factored their and their animal's circumstances into the recommendation.

## Can a veterinarian provide information in relation to pet insurance without contravening the Corporations Act?

Veterinarians can provide factual information in relation to pet insurance as an option that might be suitable for clients by discussing the *general principles* of pet insurance and the different types of pet insurance policies available.

Factual information is objectively ascertainable information, the trust or accuracy of which cannot be reasonably questioned. Examples of factual information may include:

- Product coverage, exclusions and benefits;
- Costs of premiums, deductibles and any additional fees;
- Policy duration, renewal terms and cancellation policy

Veterinarians and their staff should clarify the position with the clients to make it clear they are only providing factual information rather than personal or general advice by:

- clarifying from the outset that you are giving the client factual information only; and
- confirming the information is not intended to imply any recommendation or opinion about which pet insurance product is best for the client's needs

## The veterinarian should not recommend a specific policy or product as being suitable for a particular client's needs, nor refer a client to a specific insurer. This could be viewed as providing financial product advice under the *Corporations Act 2001*.

The *Corporations Act 2001* provides a "mere referral exemption" which permits a veterinarian or staff member to provide general information in relation to a pet insurance product - but they must ensure they do no more than:

- inform a client of the name of insurers that can provide pet insurance policies;
- provide the contact details of the insurers; and
- disclose any benefit or commission that is received (*Noting that in most jurisdictions veterinarians are not permitted to receive commissions or inducements under their respective Veterinary Practice Acts, Regulations and Codes - see table next page*).

In summary, the 'mere referral exemption' does not allow a veterinarian to recommend a specific pet insurance product, brand or policy.

If a veterinarian is unsure whether the information they provide, or wish to provide, in relation to pet insurance may be in breach of financial services legislation, they should seek their own independent legal advice to minimise any risks.

## Am I able to have a commercial arrangement with an insurer?

Generally, no. In most Australian jurisdictions it is not permissible for veterinarians to receive commissions or any other inducements from insurers.

<p>NSW Veterinary Practice Regulation 2013 Clause 21, Schedule 2</p>	<p><b>21 Inducements</b>          “A veterinary practitioner must not provide a referral or recommendation the request for which is accompanied by an inducement to the veterinary practitioner.”</p>
<p>ACT Veterinary Practice Act, 2018 Code of Professional Conduct, Schedule 1</p>	<p><b>Inducements</b>          “A veterinary practitioner must not provide a referral or recommendation the request for which is accompanied by an inducement to the veterinary practitioner.”          Also see ACT Vet Board Incitement and Inducements Policy:          “Financial incentives for recommendations or referrals to pet insurance providers must not be accepted by individual veterinarians or veterinary businesses.”</p>
<p>NT Veterinarians Regulations 1994, Schedule 2 section 23</p>	<p><b>23 Inducements</b>          “A registered veterinarian must not provide a referral or recommendation if the request for the referral or recommendation is accompanied by an inducement to the registered veterinarian.”</p>
<p>SA - Veterinary Practice Act, 2003</p>	<p>S49 of Act deals with inducements in relation to veterinary services/veterinary products. Consult the SA Veterinary Board for further clarification. (A future review of the Code of Conduct has been slated and may contain more specific detail in relation to inducements).</p>
<p>Tasmania Veterinary Service Standards made under section 5B of the Veterinary Surgeons Act, 1987</p>	<p>10.2 “A veterinary practitioner does not seek or accept inducements that may influence their treatment or management decisions away from acceptable practice.”</p>
<p>Victoria Veterinary Practice Act, 1997</p>	<p>Guidelines on professional conduct issued under Section 62(1)(e) of the Act 11.2 “A veterinary practitioner does not seek or accept inducements that may influence their treatment or management decisions away from best practice.”</p>
<p>QLD Veterinary Surgeons Act, 1936</p>	<p>The Veterinary Surgeons Board of QLD Code of Professional Conduct:          “Veterinarians are to ensure veterinary services are offered based on sound professional judgement and not unduly influenced by financial reasons.”</p>

**Note that a veterinarian disclosing to the client that they are receiving a commission or inducement does not provide a defence to the above.**

In Western Australia where the regulations are silent on the issue of inducements, you should check with the Veterinary Practice Board as to their view on this issue. Irrespective, any recommendation to a specific product could be viewed as providing financial product advice under the Corporations Act, so it is important to avoid this situation.

## Should I train staff to promote pet insurance?

Staff should not be promoting pet insurance. However, they can be trained to provide factual information on pet insurance generally, and must avoid discussing the suitability of specific insurance policies or products.

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## What are my professional obligations for fees and disclosure of information?

Pet insurance can enable necessary treatments to be carried out when cost might otherwise be an issue for the owner. But a veterinarian should consider that such work is relevant and necessary and promotes the animal's welfare. Pet insurance should not result in work being carried out that may be unnecessary, or does not promote the animal's welfare.

Veterinarians treating an animal covered by pet insurance should charge the normal practice fee, with any additional or administrative charges related to the insurance claim shown separately. In cases where claims are sent directly to the insurance company, a copy should be sent to the client.

Failing to observe these professional standards in relation to pet insurance may result in allegations of fraud against both veterinarian and client. This may lead to police investigation, as well as disciplinary proceedings against the veterinarian.

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## What are my obligations when providing information to insurers?

While the position in each state and territory varies, the general rule is that the practice's records are owned by the veterinary practice and there is no obligation to provide the documents to another person or entity (unless it is required to facilitate the ongoing or future treatment of an animal, or requested by the veterinary practitioner board).

Clients may ask for copies of clinical records, reports and diagnostic images to satisfy a request from an insurer in order to finalise a claim. In this case, it is appropriate to provide this directly to the insurer, once a client's permission is obtained. Practices may choose to adopt a policy that this is provided at the client's expense.

If a request is received directly from an insurer, the client's consent to releasing the information to the insurer should be obtained before the information is released.

Veterinarians should ensure the confidentiality of client details and records. For this reason, where practical, use electronic transfer of such records directly to the insurance company.

When a record is sent directly to the insurer, an acknowledgment of this should be sent to the client.

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