naphia

NORTH AMERICAN PET HEALTH INSURANCE ASSOCIATION

STATE OF THE INDUSTRY REPORT

2024 HIGHLIGHTS

naphia.org

The 2024 NAPHIA
State of the Industry Report

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HIGHLIGHTS

North America Statistics

North America Statistics

NAPHIA SOI PARTICIPANTS REPRESENT

99%

OF ALL POLICIES IN N.A.

6.25

MILLION PETS

INSURED

16.7%

*AVERAGE ANNUAL GROWTH RATE

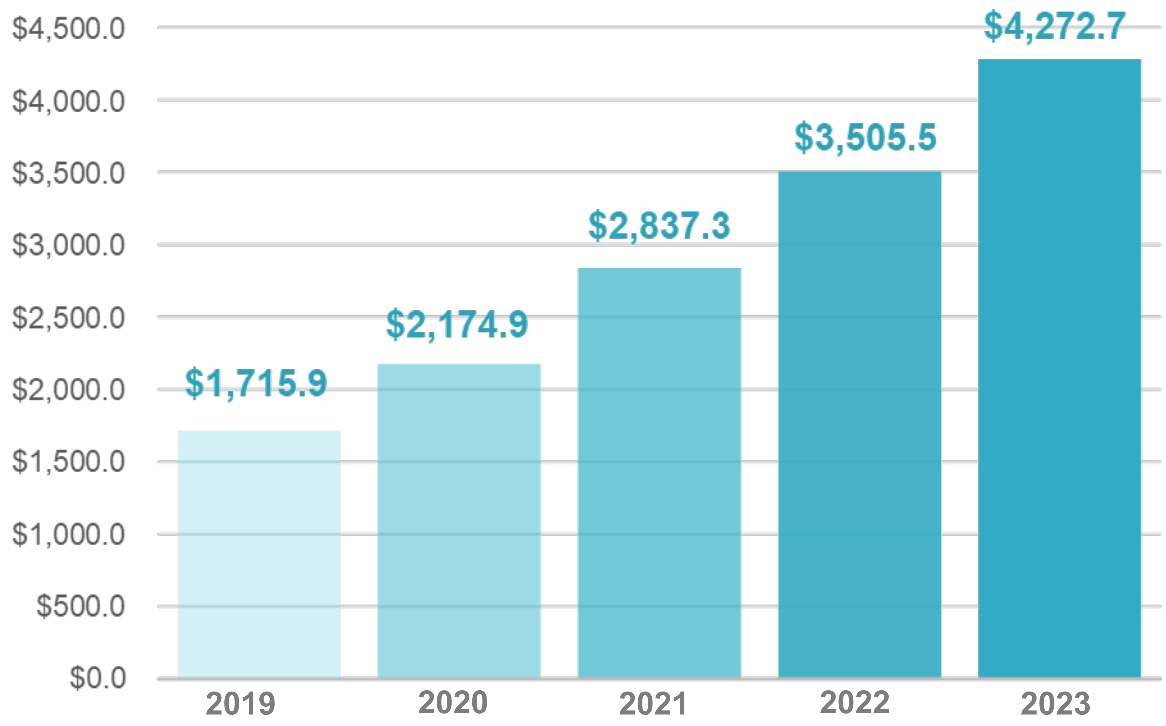
FROM 2022-2023

* 16.7% increase in In-Force Insured Pets

North America Statistics

In-Force GWP (North America)

(USD in millions)



YEAR-OVER-YEAR VARIANCE

21.9% increase from 2022 to 2023

23.5% increase from 2021 to 2022

30.5% increase from 2020 to 2021

26.8% increase from 2019 to 2020

SECTION #1

Introduction and Methodology

SECTION #1

Introduction and Methodology

- The North American Pet Health Insurance Association (NAPHIA) is pleased to present the 2023 NAPHIA State of the Industry Report (SOI Report). The objective of the report is to provide a thorough understanding of the size of the North American Pet Health Insurance industry and monitor its performance and growth in key areas. The Report also aims to provide participants with a comprehensive and credible benchmarking tool.

- The data has been compiled by Willis Towers Watson, an independent third-party organization that manages the collection and compilation of the survey data. The data was reviewed in detail and reasonableness tests were conducted to ensure that the data was reported accurately. Follow-ups with several participants were also necessary in order to validate certain findings. Willis Towers Watson assumes no liability of any kind regarding the information contained in the Report, or the accuracy of the information received during the scope of the research. The information in this Report does not constitute legal, accounting or tax advice.

- NAPHIA's State of the Industry Report includes both private and public data. This full version of the report is confidential and only available to authorized NAPHIA members. For guidance on use of the report and public vs. private data, please refer to your NAPHIA membership agreement and NAPHIA's Public vs. Private Summary which is provided along with this report. Please remember, only the official spokesperson for NAPHIA can issue the public information to the media. A portion of NAPHIA's public data is also published on https://naphia.org/industry-data/

- The following products are monitored in the NAPHIA Industry Report :

  - **Accident Only:** Foreign body ingestion, lacerations, motor vehicle accident, ligament tears, poisoning, etc.
  - **Accident & Illness:** Accident benefits plus illnesses such as cancer, infections, digestive problems, etc.
  - **Insurance with Embedded Wellness:** Comprehensive plans that may include vaccinations, early screening diagnostics, consultations for proper nutrition, dental care, etc.
  - **Endorsements:** Riders such as wellness or cancer endorsements

In an effort to maintain confidentiality of the data collected, some of the above products have been grouped together in several sections of the report (for example, Accident & Illness and Insurance with Embedded Wellness were combined)

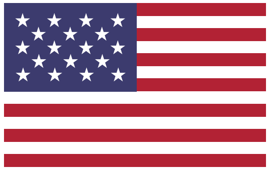
SECTION #1

Introduction and Methodology

Aggregate Results Compiled

- “In-Force data” is based on End-of-Year (EOY) results as at December 31, 2023 as submitted in the survey questionnaire/data call. In-Force GWP and Total Insured Pets data are as at December 31, 2023

All dollar amounts in this report are expressed in the country’s currency from 2019 to 2023



= **USD**

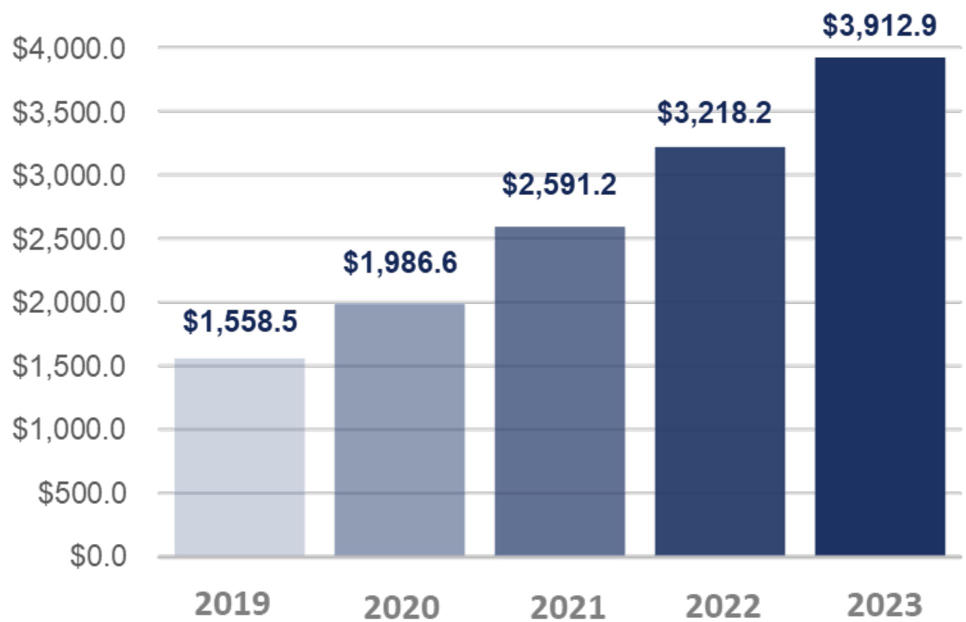
= **CAD**

SECTION #2

Gross Written Premium

Gross Written Premium

In-Force GWP (U.S.)
(in millions)



YEAR-OVER-YEAR VARIANCE

21.6% increase from 2022 to 2023

24.2% increase from 2021 to 2022

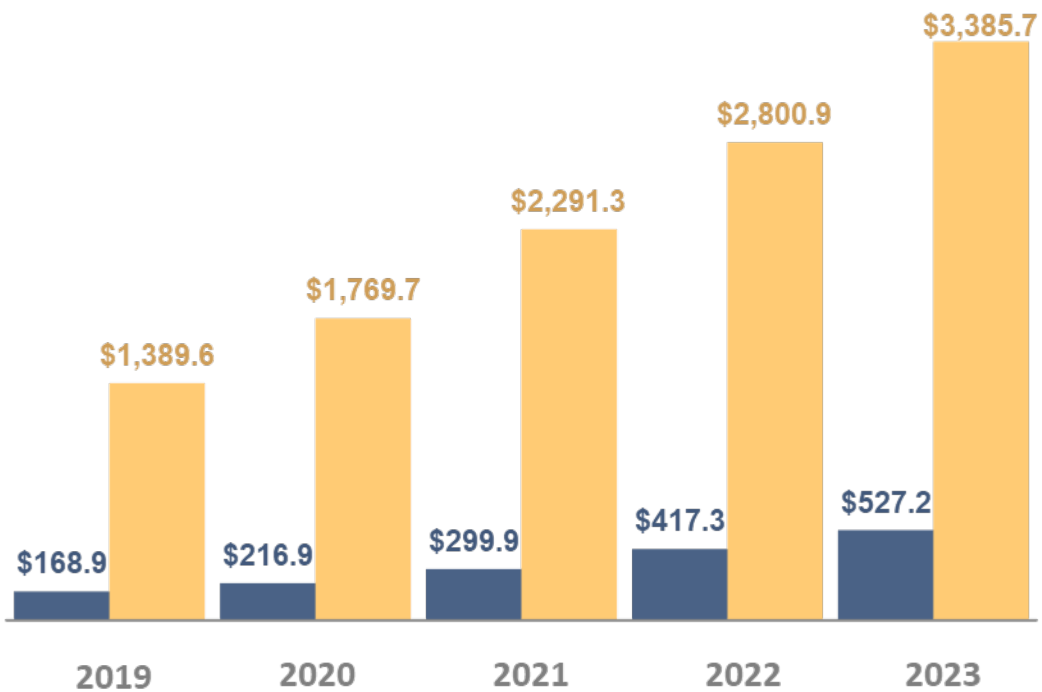
30.4% increase from 2020 to 2021

27.5% increase from 2019 to 2020

- The total premium volume in the U.S., as reported by NAPHIA members, amounted to about $3.9 billion at year-end 2023
- The U.S. market continues to experience double-digit increases; however, the growth has slowed slightly in 2023 with a YoY variance of 21.6%

In-Force GWP, Dogs and Cats (U.S.)

(in millions)



YEAR-OVER-YEAR VARIANCE

DOGS

20.9% increase from 2022 to 2023

22.2% increase from 2021 to 2022

29.5% increase from 2020 to 2021

27.4% increase from 2019 to 2020

CATS

26.3% increase from 2022 to 2023

39.1% increase from 2021 to 2022

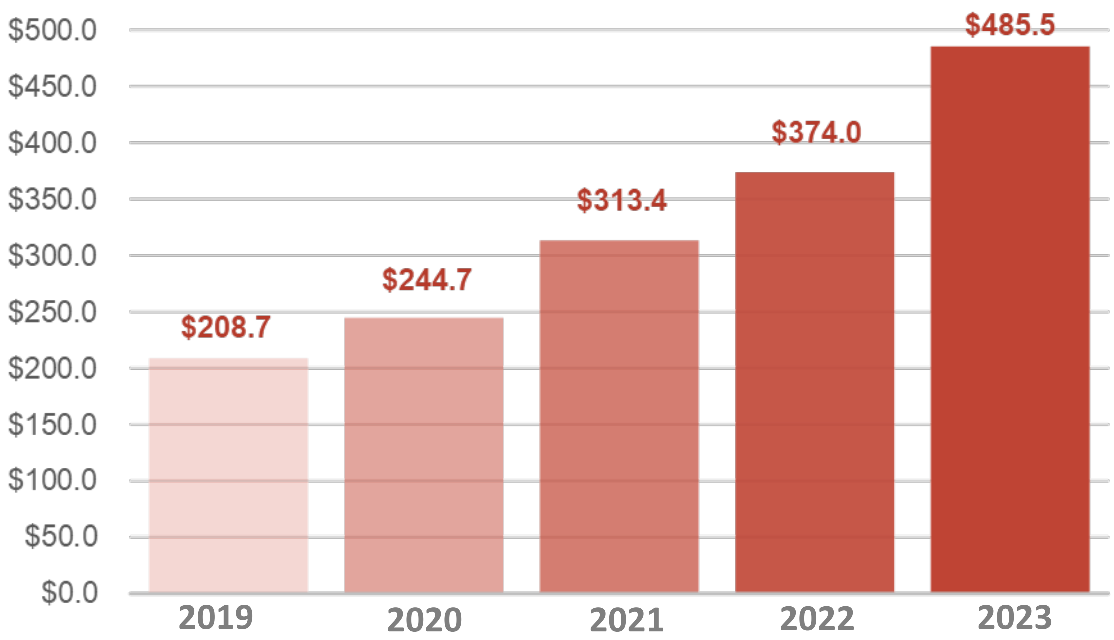
38.3% increase from 2020 to 2021

28.4% increase from 2019 to 2020

- GWP for insured dogs represented 86.5% of the total U.S. volume in 2023 (very close to 2022)
- GWP for insured cats represented 13.5% of the total U.S. volume in 2023 (very close to 2022)

In-Force GWP (Canada)

(in millions)



YEAR-OVER-YEAR VARIANCE

29.8% increase from 2022 to 2023

19.3% increase from 2021 to 2022

28.1% increase from 2020 to 2021

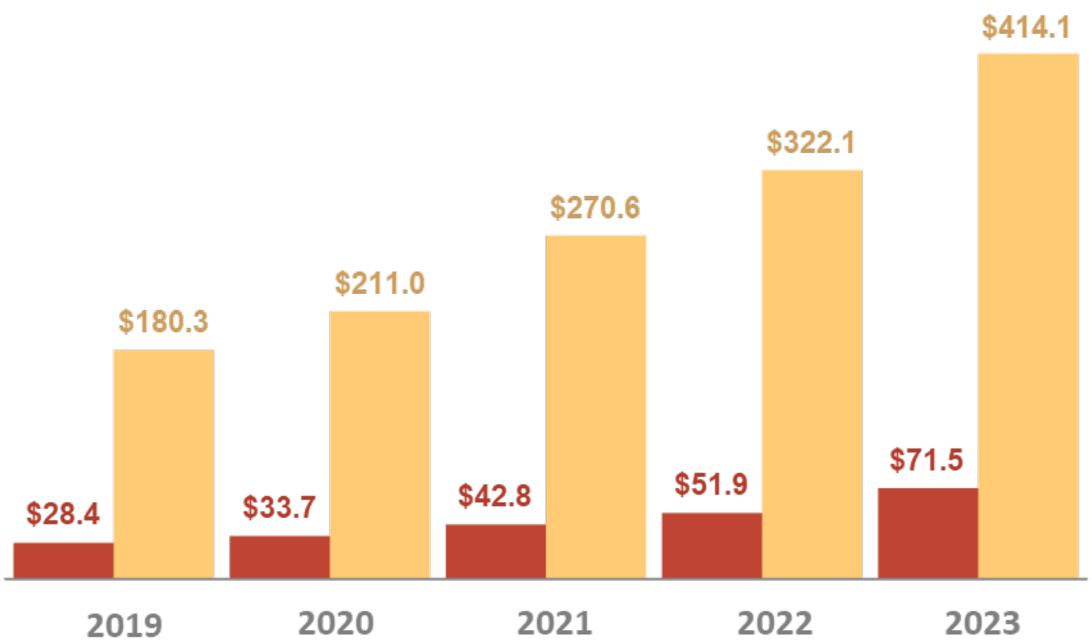
17.3% increase from 2019 to 2020

- The total premium volume in Canada, as reported by NAPHIA members, amounted to $485.5 million at year-end 2023 (Canadian currency), an increase of 29.8% from previous year
- The Canadian 5-year average annual growth rate was 23.6%, slightly below the U.S. average annual growth rate of 25.9%

Gross Written Premium

In-Force GWP, Dogs and Cats (Canada)

(in millions)



YEAR-OVER-YEAR VARIANCE

DOGS

28.6% increase from 2022 to 2023

19.0% increase from 2021 to 2022

28.3% increase from 2020 to 2021

17.0% increase from 2019 to 2020

CATS

37.7% increase from 2022 to 2023

21.3% increase from 2021 to 2022

26.9% increase from 2020 to 2021

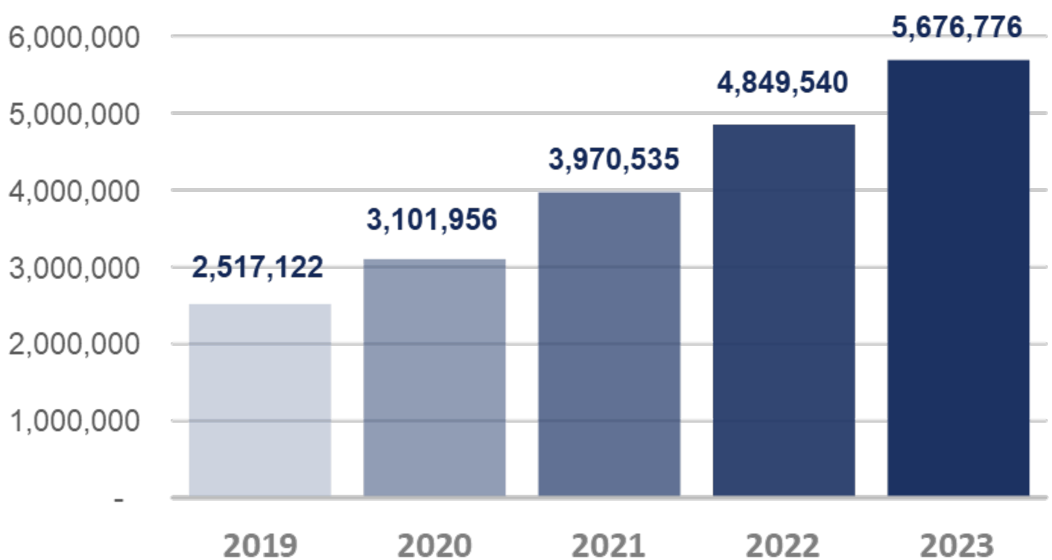
18.8% increase from 2019 to 2020

- Insured dogs represented approximately 85.3% of In-Force GWP in 2023, for a total of $414.1 million (Canadian currency)
- GWP for insured cats continues to experience higher year over year growth than insured dogs, representing approximately 14.7% of In-Force GWP in 2024

SECTION #3

Number of Pets

Total Insured Pets (U.S.)



YEAR-OVER-YEAR VARIANCE

Total Insured Pets % increase

17.1% increase from 2022 to 2023

22.1% increase from 2021 to 2022

28.0% increase from 2020 to 2021

23.2% increase from 2019 to 2020

In-Force GWP % increase

21.6% increase from 2022 to 2023

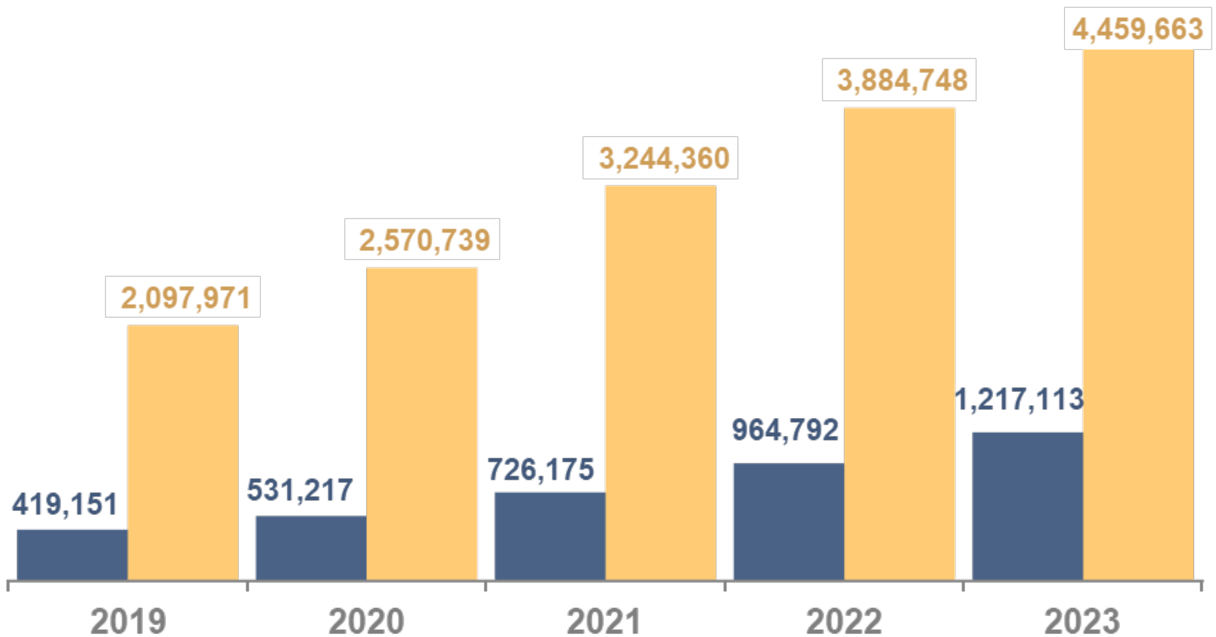
24.2% increase from 2021 to 2022

30.4% increase from 2020 to 2021

27.5% increase from 2019 to 2020

- Results for 2023 show a 17.1% increase in Total Insured Pets in the U.S.
- In-Force GWP growth continues to outpace the Total Insured Pets growth

Total Insured Dogs and Cats (U.S.)



YEAR-OVER-YEAR VARIANCE

DOGS

14.8% increase from 2022 to 2023

19.7% increase from 2021 to 2022

26.2% increase from 2020 to 2021

22.5% increase from 2019 to 2020

CATS

26.2% increase from 2022 to 2023

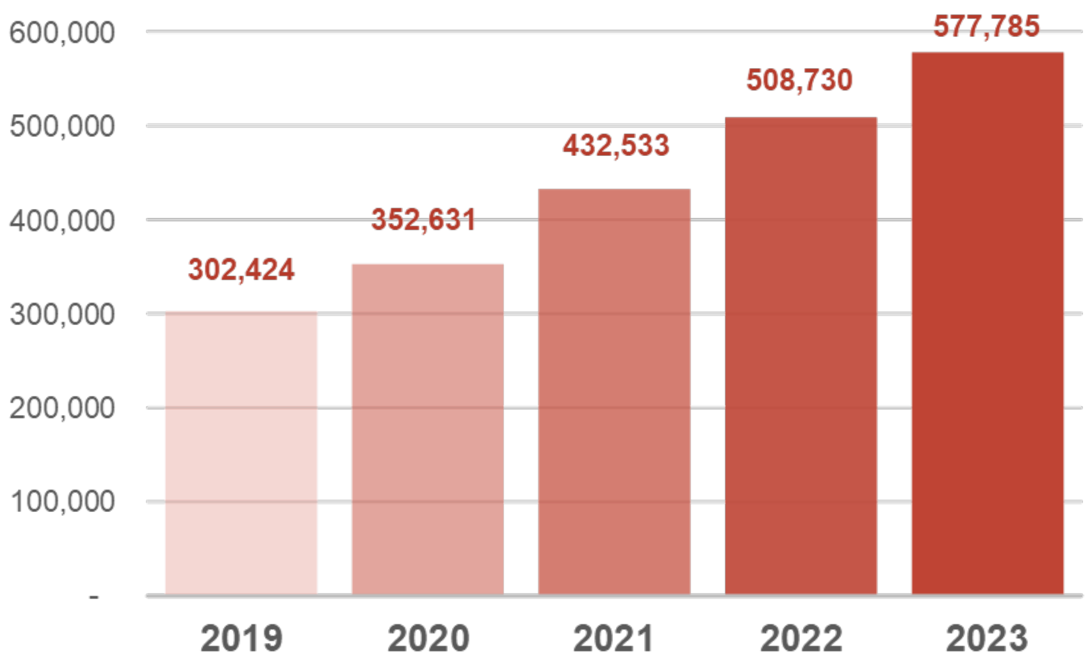
32.9% increase from 2021 to 2022

36.7% increase from 2020 to 2021

26.7% increase from 2019 to 2020

- Dogs make up the majority of insured pets in the United States, with 78.6% of insured dogs and 21.4% of insured cats, representing a change from the previous year (80.1% / 19.9%)
- Insured cats' market share has been increasing YoY since 2018 (16.1% in 2018, 16.7% in 2019, 17.1% in 2020, 18.3% in 2021, 19.9% in 2022 and 21.4% in 2023)

Total Insured Pets (Canada)



YEAR-OVER-YEAR VARIANCE

Total Insured Pets % increase

13.6% increase from 2022 to 2023

17.6% increase from 2021 to 2022

22.7% increase from 2020 to 2021

16.6% increase from 2019 to 2020

In-Force GWP % increase

29.8% increase from 2022 to 2023

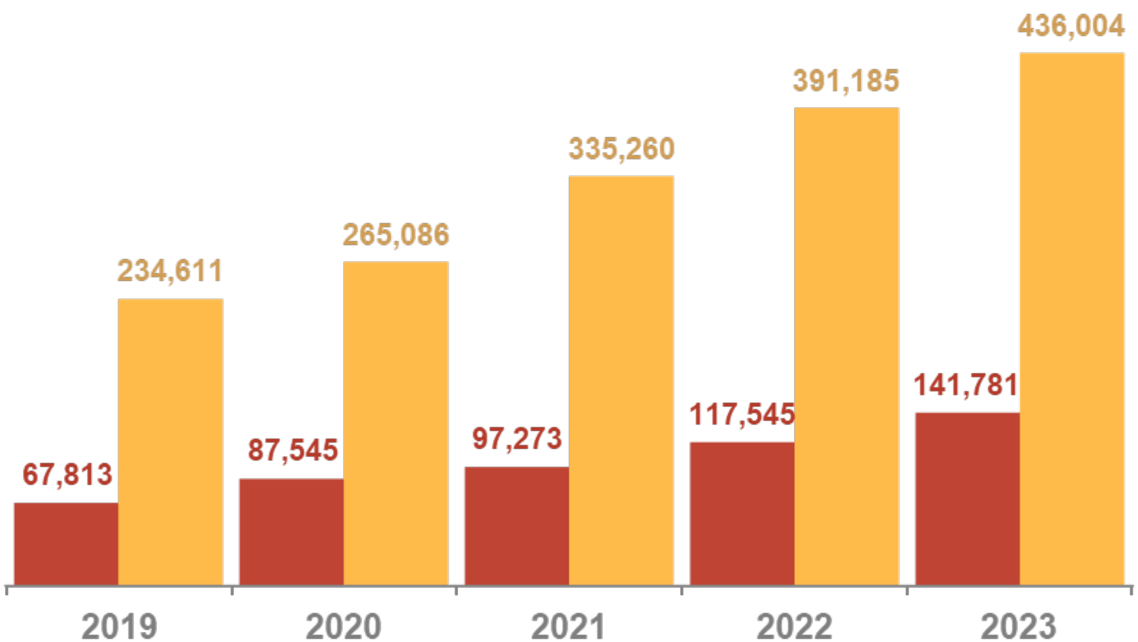
19.3% increase from 2021 to 2022

28.1% increase from 2020 to 2021

17.3% increase from 2019 to 2020

- Results for 2023 show a growth of 13.6% in Total Insured Pets in Canada
- The annual growth rate of Insured Pets in Canada since 2019 is 17.6%

Total Insured Dogs and Cats (Canada)



YEAR-OVER-YEAR VARIANCE

DOGS

11.5% increase from 2022 to 2023

16.7% increase from 2021 to 2022

26.5% increase from 2020 to 2021

13.0% increase from 2019 to 2020

CATS

20.6% increase from 2022 to 2023

20.8% increase from 2021 to 2022

11.1% increase from 2020 to 2021

29.1% increase from 2019 to 2020

- Based on the results of the study, dogs make up the majority of insured pets in Canada (75.5% insured dogs vs. 24.5% insured cats)
- Canada has historically insured a higher proportion of cats than the U.S (US has 78.6% insured dogs vs. 21.4% insured cats)

SECTION #4

Average Annual Premiums

Average Annual Premium Per Cat, Per Dog (U.S.)

(Weighted Average)

	2019	2020	2021	2022	2023
Insurance with Embedded Wellness					
Cats	$531.73	$542.52	$559.08	$613.67	$625.99
(%) variation	+17.8%	+2.0%	+3.1%	+9.8%	+2.0%
Dogs	$969.65	$991.57	$1,051.30	$1,134.29	$1,263.39
(%) variation	+19.4%	+2.3%	+6.0%	+7.9%	+11.4%
Accident & Illness					
Cats	$365.89	$366.69	$369.57	$387.01	$383.30
(%) variation	+1.8%	+0.2%	+0.8%	+4.7%	-1.0%
Dogs	$594.64	$612.65	$625.15	$640.04	$675.61
(%) variation	+6.2%	+3.0%	+2.0%	+2.4%	+5.6%
Accident Only					
Cats	$117.21	$121.38	$121.03	$122.19	$116.11
(%) variation	+1.2%	+3.6%	-0.3%	+1.0%	-5.0%
Dogs	$169.32	$184.46	$192.39	$200.58	$204.16
(%) variation	+6.9%	+8.9%	+4.3%	+4.3%	+1.8%

Average Annual Premium Per Cat, Per Dog (Canada)

(Weighted Average)

	2019	2020	2021	2022	2023
Insurance with Embedded Wellness					
Cats	$871.06	$947.72	$957.16	$1,036.05	$1,162.21
(%) variation	+8.7%	+8.8%	+1.0%	+8.2%	+12.2%
Dogs	$1,556.33	$1,689.39	$1,725.15	$1,865.66	$2,117.32
(%) variation	+10.1%	+8.5%	+2.1%	+8.1%	+13.5%
Accident & Illness					
Cats	$399.95	$367.59	$425.27	$427.44	$488.73
(%) variation	+5.1%	-8.1%	+15.7%	+0.5%	+14.3%
Dogs	$751.14	$782.08	$796.66	$813.98	$940.91
(%) variation	+4.7%	+4.1%	+1.9%	+2.2%	+15.6%
Accident Only					
Cats	$168.50	$164.81	$188.59	$197.79	$211.32
(%) variation	+5.4%	-2.2%	+14.4%	+4.9%	+6.8%
Dogs	$212.19	$200.85	$242.23	$247.69	$262.73
(%) variation	+6.3%	-5.3%	+20.6%	+2.3%	+6.1%

SECTION #5

Pets and GWP Distribution

Pets and GWP Distribution

U.S.
Pets and GWP Distribution by State (2023)

TOP 10 STATES	PETS	GWP
California	18.3%	20.1%
New York	7.5%	8.7%
Florida	6.2%	6.6%
Texas	5.7%	5.1%
New Jersey	4.9%	5.3%
Pennsylvania	4.5%	4.3%
Massachusetts	4.3%	4.9%
Washington	3.9%	4.1%
Illinois	3.2%	3.3%
Virginia	3.0%	3.1%

Full table with all U.S. states provided on the following page

Canada
Pets and GWP Distribution by Province (2023)

PROVINCES	PETS	GWP
Ontario	37.9%	37.2%
British Columbia	18.7%	22.1%
Alberta	16.4%	19.6%
Quebec	9.7%	8.1%
Nova Scotia	4.9%	3.4%
Newfoundland & Labrador	4.7%	4.4%
New Brunswick	2.8%	1.8%
Manitoba	1.9%	1.3%
Saskatchewan	1.6%	1.1%
Prince Edward Island	0.7%	0.5%
Nunavut	0.4%	0.3%
Yukon	0.1%	0.1%
Northwest Territories	0.1%	0.1%

U.S. Market (Full) Pets and GWP Distribution by State (2023)

STATE	PETS	GWP
California	18.3%	20.1%
New York	7.5%	8.7%
Florida	6.2%	6.6%
Texas	5.7%	5.1%
New Jersey	4.9%	5.3%
Pennsylvania	4.5%	4.3%
Massachusetts	4.3%	4.9%
Washington	3.9%	4.1%
Illinois	3.2%	3.3%
Virginia	3.0%	3.1%
Colorado	2.9%	3.1%
North Carolina	2.7%	2.4%
Ohio	2.3%	1.9%
Georgia	2.2%	1.9%
Maryland	2.1%	2.3%
Connecticut	1.9%	2.2%
Michigan	1.9%	1.6%
Arizona	1.9%	1.9%

STATE	PETS	GWP
Oregon	1.7%	1.6%
Nevada	1.4%	1.3%
Minnesota	1.3%	1.1%
Wisconsin	1.3%	1.0%
South Carolina	1.2%	1.0%
Tennessee	1.2%	1.0%
Indiana	1.2%	0.9%
Missouri	1.0%	0.7%
New Hampshire	0.9%	0.9%
Utah	0.7%	0.6%
Maine	0.6%	0.6%
Louisiana	0.6%	0.5%
Rhode Island	0.6%	0.5%
Hawaii	0.6%	0.6%
Kentucky	0.6%	0.5%
Alabama	0.5%	0.4%
Iowa	0.5%	0.4%
Kansas	0.4%	0.3%

STATE	PETS	GWP
Oklahoma	0.4%	0.3%
District of Columbia	0.4%	0.4%
New Mexico	0.4%	0.3%
Idaho	0.4%	0.3%
Delaware	0.3%	0.3%
Alaska	0.3%	0.3%
Vermont	0.3%	0.3%
Nebraska	0.3%	0.2%
Arkansas	0.3%	0.2%
Montana	0.2%	0.2%
West Virginia	0.2%	0.2%
Mississippi	0.2%	0.1%
North Dakota	0.1%	0.1%
Wyoming	0.1%	0.1%
Other: Puerto Rico	0.1%	0.1%
South Dakota	0.1%	0.1%

SECTION #6

Claims

Most Common Medical Conditions Cats & Dogs (2023) – North America

Dogs	Cats
GI / Diarrhea / Vomiting	Urinary Tract Infection / Kidney / Bladder
Skin Conditions (Infections, Allergies, Mass, Dermatitis)	GI / Diarrhea / Vomiting
Urinary Tract Infection / Kidney / Bladder	Respiratory
Otitis / Ear Infection	Dental Disease
Allergies	Skin Conditions (Infections, Allergies, Mass, Dermatitis)
Anxiety / Behavioral condition / Neuro Issues	Endocrinology (Hyperthyroidism)
Lameness / Limping	Diabetes
Growth / Mass	Otitis / Ear Infection
Arthritis / Osteoarthritis	Cardiovascular
Accident Injury	Eye and Vision Disorders
Cruciate Ligament	Allergies

Top Claims Paid – Dogs (2023) North America

Breed	Sex	Age	Claim Paid Amount	Location	Condition
Golden Retriever	M	6	$51,133	Bellingham, WA	Lymphoma
Bernese Mountain Dog	M	8	$50,000	Edmonton, AB	Mitral valve regurgitation/insufficiency, Cardiovascular system finding, Thoracic finding
Black and Tan Coonhound	M	4	$46,900	Berwyn, PA	Vomiting
Standard Poodle	M	4	$44,395	Renton, WA	Anemia
Labrador Mix	F	3	$43,714	Paramus, NJ	Pneumonia
French Bulldog	F	6	$43,389	New York, NY	Corneal Ulcer
Mixed Breed	M	6	$43,303	Lyndhurst, NJ	Gastric Ulcer
Pug	M	4	$40,926	Fairfax, VA	Pneumonia (unspecified), Respiratory system finding, Inflammatory disorder finding, Thoracic finding
Great Dane	M	6	$39,265	Los Angeles, CA	Cancer
Golden Retriever	F	9	$38,374	San Rafael, CA	Gastropathy, Pneumonia

Top Claims Paid – Cats (2023) North America

Breed	Sex	Age	Claim Paid Amount	Location	Condition
Domestic Shorthair	M	5	$59,470	Hollywood, FL	Intervertebral disc disorder, Musculoskeletal system finding, Spine (vertebral column) finding
Domestic Shorthair	F	2	$35,666	Las Vegas, NV	Gastric dilation-volvulus syndrome (GDV), Alimentary tract/Digestive system finding, Abdominal finding
British Shorthair	F	8	$33,012	New York, NY	Other Medical Disorder
Domestic Shorthair	F	5	$31,923	Upland, CA	Diabetes mellitus, Renal failure
Maine Coon	F	10	$31,900	Chester Basin, NS	Anemia - hemolytic, immune mediated (IMHA) , Haematopoietic system finding
Maine Coon	M	10	$31,678	Boston, MA	Mass lesion - adrenal, Endocrine/Metabolic finding, Abdominal finding, Mass lesion/swelling finding
Ragdoll	F	4	$30,839	San Diego, CA	Chronic Kidney Disease
Domestic Shorthair	M	4	$27,798	ON	Acquired Bladder Disorder, Urethrotomy
Maine Coon	M	4	$24,466	Los Angeles, CA	Digestive System - Stomach
Domestic Shorthair	F	9	$22,967	Tinton Falls, NJ	Coma, Heart murmur

ABOUT naphia NORTH AMERICAN PET HEALTH INSURANCE ASSOCIATION

The North American Pet Health Insurance Association (NAPHIA) is comprised of reputable pet health insurance (PHI) organizations from across Canada and the United States whose membership is estimated to represent over 99 per cent of all pet health insurance coverage in effect in North America.

As a trade association, NAPHIA works to advance and grow the PHI industry through proactive research, data sharing, benchmarking initiatives, advocacy efforts, strategic partnerships, and collaboratively addressing challenges, and opportunities. Each year, the industry marks its performance and growth with the release of this State of the Industry Report.

Learn more at naphia.org