

Insurance and your dog

When a friend posted a tribute to his 'couch-eating dog' on Facebook, I thought it was a good time to talk about insurance in this column.

I've had clients whose dogs have eaten couches, damaged doorframes and doors when suffering from separation anxiety or Guy Fawkes/firework stress, one dog that repeatedly urinated on floor-length drapes, and one haemophilic dog who injured herself and bled profusely over the owner's wall-to-wall carpet.

The Insurance Council of NZ reports that New Zealand insurers receive approximately 6,000 claims per year resulting from pet damage. Statistics are not kept specifically for damage caused by dogs. Damage to furniture and other parts of a dwelling are one of the most common insurance claims for dog-related damage; claims for hearing aids eaten or destroyed by dogs are also very common.

Dog owners must understand that contents policies provide coverage for accidental damage, which is damage that the owner could not have reasonably foreseen. A one-off incident of damage caused by your dog is likely to be covered. If, however, the dog has a behavioural problem such as repeated chewing of furniture due to separation anxiety, then it is likely an insurer would refuse successive claims because the damage could have been anticipated or expected when the dog was left alone.

Sarah Knox, Consumer Affairs Manager with the Insurance Council says, "It's important for all dog owners to understand the terms and limitations of their insurance policy to appreciate what may be covered by their insurance and what will not. There is a fair bit of variation in policies."

While the Council has confirmed that there are no breed-specific limitations on general insurance policies issued by its members, some policies exclude working dogs, sporting dogs and dogs that are kept

for breeding. One company (which was not named) excludes most damage by pets, other than vomiting:

"Your policy does not cover any loss, damage, or liability arising from any domestic pet pecking, biting, clawing, scratching, tearing or chewing your contents, or damage caused by their urine or excrement. This exclusion does not apply to damage caused by another animal (except insects, vermin or rodents) that becomes accidentally trapped inside your home."

Policy holders often think that multiple occurrences of damage to their home/contents can be claimed under a single claim with one excess applied. This is not true.

A dog that has had vomiting and diarrhoea with damage to a carpet in three distinctly separate locations means that three policy excesses will be applied and deducted from the insurance payment. An 'incident' is defined as something that happens at a particular point in time and in a particular place or in a particular way.

"Where a policy offers a no-claims discount," says Ms Knox, "claims that are the result of pet damage can have an impact on this the same as any other claim. A common misconception about these discounts is that they are not affected by claims where the insured is not at fault. Generally speaking, unless an insurance company is able to recover costs from a third party (which is much more common in motor insurance than in home/contents policies), then a no-claims discount would be affected by a pet-related claim."

When considering whether or not to submit a claim, you'll want to know your policy excess, the total costs you will incur for righting the damage, and understand the impact on your no-claims bonus. Of course, you'll also need to consider how urgent repairs/replacement are

and whether or not you can bear the costs of rectifying the damage without a contribution made by your insurer.

No column about insurance would be complete without some tales about the unusual insurance claims submitted.

"In one case, an excited dog grabbed a tea towel that was draped over the handle of the wall oven and, in the process, not only took the tea towel but also the oven door."

There was also the case of an owner who was redecorating and his dog tipped over the paint pot and then proceeded to track paw prints throughout the house, ruining the carpet. New carpet was not part of the owner's redecoration plans... 

The Council's 28 member companies collectively write more than 95% of all fire and general insurance policies in New Zealand.



Left: Sofa à la Chico.