

PET INSURANCE MODEL ACT

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Section 1. Short Title

This Act shall be known as the “Pet Insurance Act.”

Section 2. Scope and Purpose

- A. The purpose of this Act is to promote the public welfare by creating a comprehensive legal framework within which Pet Insurance may be sold in this state.
- B. The requirements of this Act shall apply to Pet Insurance policies that are issued to any resident of this state, and are sold, solicited, negotiated, or offered in this state, and policies or certificates that are delivered or issued for delivery in this state.
- C. All other applicable provisions of this state’s insurance laws shall continue to apply to Pet Insurance except that the specific provisions of this Act shall supersede any general provisions of law that would otherwise be applicable to Pet Insurance.

Section 3. Definitions

If a pet insurer uses any of the terms in this Act in a policy of pet insurance, the pet insurer shall use the definition of each of those terms as set forth herein and include the definition of the term(s) in the policy. The pet insurer shall also make the definition available through a clear and conspicuous link on the main page of the pet insurer or pet insurer’s program administrator’s website.

Nothing in this Act shall in any way prohibit or limit the types of exclusions pet insurers may use in their policies or require pet insurers to have any of the limitations or exclusions defined below.

As used in this Act:

- A. “Chronic condition” means a condition that can be treated or managed, but not cured.
- B. “Congenital anomaly or disorder” means a condition that is present from birth, whether inherited or caused by the environment, which may cause or contribute to illness or disease.
- C. “Hereditary disorder” means an abnormality that is genetically transmitted from parent to offspring and may cause illness or disease.

Section 4. Disclosures

- A. A pet insurer transacting pet insurance shall disclose the following to consumers:
- (1) If the policy excludes coverage due to any of the following:
 - (a) A preexisting condition;
 - (b) A hereditary disorder;
 - (c) A congenital anomaly or disorder; or
 - (d) A chronic condition.
 - (2) If the policy includes any other exclusions, the following statement: “Other exclusions may apply. Please refer to the exclusions section of the policy for more information.”
 - (3) Any policy provision that limits coverage through a waiting or affiliation period, a deductible, coinsurance, or an annual or lifetime policy limit.
 - (4) Whether the pet insurer reduces coverage or increases premiums based on the insured’s claim history, the age of the covered pet or a change in the geographic location of the insured.

- C. A pet insurer shall clearly disclose a summary description of the basis or formula on which the pet insurer determines claim payments under a pet insurance policy within the policy, prior to policy issuance and through a clear and conspicuous

- (2) The address and customer service telephone number of the pet insurer or the agent or broker of record.
 - (3) If the policy was issued or delivered by an agent or broker, a statement advising the policyholder to contact the broker or agent for assistance.
- L. The disclosures required in this section shall be in addition to any other disclosure requirements required by law or regulation.

Section 5. Policy Conditions

- A. A pet insurer may issue policies that exclude coverage on the basis of one or more preexisting conditions with appropriate disclosure to the consumer. The pet insurer has the burden of proving that the preexisting condition exclusion applies to the condition for which a claim is being made.
- B. A pet insurer may issue policies that impose waiting periods upon effectuation of the policy that do not exceed 30 days for illnesses or orthopedic conditions not resulting from an accident. Waiting periods for accidents are prohibited.
 - (1) A pet insurer utilizing a waiting period permitted in Subsection 5B shall include a provision in its contract that allows the waiting periods to be waived upon completion of a medical examination. Pet insurers may

Section 6. Sales Practices for Wellness Programs

A. A pet insurer and/or producer shall not do the following:

- (1) Market a wellness program as pet insurance;
- (2) Market a wellness program during the sale, solicitation, or negotiation of pet insurance.

B. If a wellness program is sold by a pet insurer and/or producer:

(1) The purchase of the wellness program shall

- (2) be made through a licensed agent or broker.

- (1) Preexisting conditions and waiting periods;
 - (2) The differences between pet insurance and noninsurance wellness programs;
 - (3) Hereditary disorders, congenital anomalies or disorders and chronic conditions and how pet insurance policies interact with those conditions or disorders; and
 - (4) Rating, underwriting, renewal and other related administrative topics.
- D. The satisfaction of the training requirements of another state that are substantially similar to the provisions of Subsection C shall be deemed to satisfy the training requirements in this state.

Section 8. Regulations

The commissioner may promulgate rules and regulations to administer this Act.

Section 9. Violations

Violations of this Act shall be subject to penalties pursuant to [insert state administrative code].

Chronological Summary of Action (all references are to the Proceedings of the NAIC Summer 2022 (adopted).