

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 660 Session of 2023

INTRODUCED BY SCHLOSSBERG, BURGOS, CERRATO, CIRESI, DEASY, GIRAL, HADDOCK, HILL-EVANS, HOHENSTEIN, HOWARD, KHAN, KINKEAD, MADDEN, McNEILL, NEILSON, PARKER, PISCIOTTANO, PROBST, SAMUELSON, SANCHEZ, STURLA, WEBSTER, O'MARA, ISAACSON, DALEY, SALISBURY, GREEN AND MALAGARI, MARCH 21, 2023

AS REPORTED FROM COMMITTEE ON INSURANCE, HOUSE OF REPRESENTATIVES, AS AMENDED, MARCH 25, 2024

AN ACT

1 Amending Title 40 (Insurance) of the Pennsylvania Consolidated
2 Statutes, in regulation of insurers and related persons
3 generally, providing for pet insurance; and imposing
4 penalties.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Part II of Title 40 of the Pennsylvania
8 Consolidated Statutes is amended by adding a chapter to read:

9 CHAPTER 45 47 <--

10 PET INSURANCE

11 Sec.

12 4501 4701. Purpose and scope of chapter. <--

13 4502 4702. Definitions. <--

14 4503 4703. Use of definitions in pet insurance policy. <--

15 4504 4704. Right to examine and return pet insurance policy. <--

16 4505 4705. Policy disclosures. <--

1 ~~4506~~ 4706. Policy conditions. <--

2 ~~4507~~ 4707. Sales practices for pet insurance policies. <--

3 ~~4508~~ 4708. Sales practices for wellness programs. <--

4 ~~4509~~ 4709. Insurance producer training. <--

5 ~~4510~~ 4710. Violations. <--

6 ~~4511~~ 4711. Rules and regulations. <--

7 § ~~4501~~ 4701. Purpose and scope of chapter. <--

8 (a) Purpose.--The purpose of this chapter is to create a
9 comprehensive legal framework for the sale, solicitation and
10 negotiation of pet insurance policies in this Commonwealth.

11 (b) Applicability.--This chapter applies to a pet insurance
12 policy that is:

13 (1) sold, solicited or negotiated in this Commonwealth
14 and issued to a resident of this Commonwealth; or

15 (2) delivered or issued for delivery in this
16 Commonwealth.

17 § ~~4502~~ 4702. Definitions. <--

18 The following words and phrases when used in this chapter
19 shall have the meanings given to them in this section unless the
20 context clearly indicates otherwise:

21 "Chronic condition." A condition that can be treated or
22 managed, but not cured.

23 "Commissioner." The Insurance Commissioner of the
24 Commonwealth.

25 "Congenital anomaly or disorder." A condition that is
26 present from birth, whether inherited or caused by the
27 environment, which may cause or contribute to illness or
28 disease.

29 "Hereditary disorder." An abnormality that is genetically
30 transmitted from parent to offspring and may cause illness or

1 disease.

2 "INSURANCE PRODUCER." AS DEFINED IN SECTION 601-A OF THE ACT <--
3 OF MAY 17, 1921 (P.L.789, NO.285), KNOWN AS THE INSURANCE
4 DEPARTMENT ACT OF 1921.

5 "Insured." A person on whose behalf a pet insurer is
6 obligated to pay or reimburse covered veterinary expenses under
7 a pet insurance policy.

8 "Orthopedic condition." As follows:

9 (1) A condition affecting the bones, skeletal muscle,
10 cartilage, tendons, ligaments or joints.

11 (2) The term includes elbow dysplasia, hip dysplasia,
12 intervertebral disc degeneration, patellar luxation and
13 ruptured cranial cruciate ligaments.

14 (3) The term does not include cancer or a metabolic,
15 hemopoietic or autoimmune disease.

16 "Pet insurance policy." A property insurance policy,
17 certificate or rider that provides coverage for accidents and
18 illnesses of pets.

19 "Pet insurer." An insurer that issues a pet insurance
20 policy.

21 "Practice of veterinary medicine." As defined in section 3
22 of the act of December 27, 1974 (P.L.995, No.326), known as the
23 Veterinary Medicine Practice Act.

24 "Preexisting condition." A condition for which any of the
25 following apply regarding a pet prior to the effective date of a
26 pet insurance policy for the pet or during any waiting period:

27 (1) A veterinarian provided medical advice regarding the
28 pet.

29 (2) The pet received previous treatment.

30 (3) Based on information from verifiable sources, the

1 pet had signs or symptoms directly related to the condition
2 for which a claim is being made.

3 ~~"Renewal." The issuance and delivery of a pet insurance~~ <--
4 ~~policy, at the end of a pet insurance policy period, which:~~

5 ~~(1) supersedes the pet insurance policy previously~~
6 ~~issued and delivered by the same pet insurer or an affiliated~~
7 ~~pet insurer; and~~

8 ~~(2) provides types and limits of coverage substantially~~
9 ~~similar to those contained in the pet insurance policy being~~
10 ~~superseded.~~

11 "RENEWAL." AS DEFINED IN SECTION 3 OF THE ACT OF JULY 22, <--
12 1974 (P.L.589, NO.205), KNOWN AS THE UNFAIR INSURANCE PRACTICES
13 ACT.

14 "Veterinarian." An individual who holds a valid license to
15 engage in the practice of veterinary medicine from the
16 appropriate licensing entity of the jurisdiction in which the
17 individual engages in the practice of veterinary medicine.

18 "Veterinary expenses." The costs associated with medical
19 advice, diagnosis, care or treatment provided by a veterinarian,
20 including the cost of drugs prescribed by a veterinarian.

21 "Waiting period." As follows:

22 (1) The period of time specified in a pet insurance
23 policy that is required to transpire before some or all of
24 the coverage in the policy can begin.

25 (2) A waiting period may not be applied to a renewal of
26 existing coverage.

27 "Wellness program." As follows:

28 (1) A subscription or reimbursement-based program that
29 is separate from a pet insurance policy that provides goods
30 and services to promote the general health, safety or well-

1 being of the pet.

2 (2) A wellness program does not assume or transfer any
3 risk of loss.

4 § ~~4503~~ 4703. Use of definitions in pet insurance policy. <--

5 (a) Terms.--If a pet insurer uses any of the terms in
6 section ~~4502~~ 4702 (relating to definitions) in a pet insurance <--
7 policy, the definition under section ~~4502~~ 4702 shall apply and <--
8 the pet insurer shall include the definition of the term in the
9 pet insurance policy.

10 (b) Website.--A pet insurer shall make each definition
11 described in subsection (a) available through a clear and
12 conspicuous link on the main page of the publicly accessible
13 Internet website of the pet insurer or pet insurer's program
14 administrator.

15 (c) Construction.--Nothing in this chapter shall:

16 (1) prohibit or limit the types of exclusions that a pet
17 insurer may use in a pet insurance policy; or

18 (2) require a pet insurer to have any of the limitations
19 or exclusions described in this chapter.

20 § ~~4504~~ 4704. Right to examine and return pet insurance policy. <--

21 (a) General rule.--Except as provided in subsection (b), an
22 individual who applies for a pet insurance policy may examine
23 the pet insurance policy and, if not satisfied with the pet
24 insurance policy for any reason, may return the pet insurance
25 policy to the company that produced the pet insurance policy, or
26 an agent or insurance producer of the company, within ~~15~~ 30 days <--
27 of receipt of the pet insurance policy. The following apply:

28 (1) The company that produced the pet insurance policy
29 shall refund any premium paid by the individual regarding the
30 pet insurance policy within 30 days after receiving the

1 returned pet insurance policy.

2 (2) A refunded premium shall be sent directly to the
3 person who paid the premium.

4 (3) If a pet insurance policy is returned in accordance
5 with this subsection, the pet insurance policy shall be void
6 as if it had never been issued.

7 (b) Exception.--Subsection (a) shall not apply if the
8 individual is an insured who has filed a claim under the pet
9 insurance policy.

10 (c) Notice.--Each pet insurance policy shall have the
11 following notice printed in at least 12-point type, which shall
12 be included on the first page of the pet insurance policy or
13 attached to the pet insurance policy:

14 You have ~~15~~ 30 days from the day you receive this policy, <--
15 certificate or rider to review it and return it to the
16 company if you decide not to keep it. You do not have to
17 tell the company why you are returning it. If you decide
18 not to keep it, simply return it to the company at its
19 administrative office or you may return it to the agent
20 or insurance producer that you bought it from as long as
21 you have not filed a claim. You must return it within ~~15~~ <--
22 30 days of the day you first received it. The company <--
23 will refund the full amount of any premium paid within 30
24 days after it receives the returned policy, certificate
25 or rider. The premium refund will be sent directly to the
26 person who paid it. The policy, certificate or rider will
27 be void as if it had never been issued.

28 ~~§ 4505~~ 4705. Policy disclosures. <--

29 (a) Information.--A pet insurer shall clearly and
30 conspicuously disclose, in accordance with subsection (b), the

1 following information to an insured or a prospective insured in
2 a pet insurance policy:

3 (1) Whether the pet insurance policy excludes coverage
4 due to any of the following:

5 (i) A preexisting condition.

6 (ii) A hereditary disorder.

7 (iii) A congenital anomaly or disorder.

8 (iv) A chronic condition.

9 (2) If the pet insurance policy includes any other
10 exclusions, the following statement: "Other exclusions may
11 apply. Please refer to the exclusions section of the policy
12 for more information."

13 (3) Any limitation of coverage through a waiting period
14 or affiliation period.

15 (4) Any deductible or coinsurance.

16 (5) The annual or lifetime policy limit of the pet
17 insurance policy, if any.

18 (6) Whether the pet insurer will reduce coverage or
19 increase premiums based on the insured's claim history, the
20 age of the covered pet or a change in the geographic location
21 of the insured.

22 (7) The name of the underwriting company if it differs
23 from the brand name used to market and sell the product.

24 (8) A summary description of the basis or formula on
25 which the pet insurer determines claim payments under the pet
26 insurance policy.

27 (9) If a pet insurer uses a benefit schedule to
28 determine claim payment under the pet insurance policy:

29 (i) The applicable benefit schedule in the pet
30 insurance policy.

1 (ii) All benefit schedules used by the pet insurer
2 under its pet insurance policies.

3 (10) If a pet insurer determines claim payments under a
4 pet insurance policy based on usual and customary fees, or
5 any other reimbursement limitation based on prevailing
6 veterinary service provider charges:

7 (i) The usual and customary fee limitation provision
8 in the pet insurance policy that clearly describes the
9 pet insurer's basis for determining usual and customary
10 fees and how that basis is applied in calculating claim
11 payments.

12 (ii) The pet insurer's basis for determining usual
13 and customary fees.

14 (11) If any medical examination by a veterinarian is
15 required to effectuate coverage, the required aspects of the
16 examination and a statement that the examination
17 documentation may result in a preexisting condition
18 exclusion.

19 (12) Clear and prominent disclosure of waiting periods,
20 if any, and requirements applicable to them.

21 (b) Methods of disclosure.--

22 (1) A pet insurer shall prepare a separate document in
23 at least 12-point type that contains the information
24 specified under subsection (a) and in section ~~4504~~ 4704 <--
25 (relating to right to examine and return pet insurance
26 policy), which shall be titled "Insurer Disclosure of
27 Important Policy Provisions." The following apply:

28 (i) The pet insurer shall post the document through
29 a clear and conspicuous link on the main page of the
30 publicly accessible Internet website of the pet insurer

1 or pet insurer's program administrator.

2 (ii) The pet insurer shall provide the insured a
3 copy of the document upon issuance or delivery of the pet
4 insurance policy.

5 (2) A pet insurer shall disclose the information
6 required under subsection (a)(8), (9) and (10) in the
7 language of the pet insurance policy itself.

8 (3) A pet insurer shall disclose the information
9 required under subsection (a)(8), (11) and (12) prior to the
10 issuance of the pet insurance policy.

11 (4) The information specified under subsection (a)(8),
12 (9) and (10) shall be posted through a clear and conspicuous
13 link on the main page of the publicly accessible Internet
14 website of the pet insurer or pet insurer's program
15 administrator.

16 (c) Additional information.--At the time that a pet
17 insurance policy is issued or delivered to an insured, the pet
18 insurer shall include a written disclosure with the following
19 information, printed in 12-point boldface type:

20 (1) The department's mailing address, toll-free
21 telephone number and website address.

22 (2) The address and customer service telephone number of
23 the pet insurer or the agent or broker of record.

24 (3) If the pet insurance policy was issued or delivered
25 by an agent or broker, a statement advising the insured to
26 contact the broker or agent for assistance.

27 (d) Other requirements.--The disclosures required in this
28 section shall be in addition to any other disclosure
29 requirements required by law or regulation.

30 § ~~4506~~ 4706. Policy conditions.

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1 (a) Preexisting conditions.--

2 (1) A pet insurer may issue pet insurance policies that
3 exclude coverage on the basis of one or more preexisting
4 conditions if the pet insurer follows the disclosure
5 requirements of section ~~4505~~ 4705 (relating to policy <--
6 disclosures).

7 (2) A pet insurer has the burden of proving that the
8 preexisting condition exclusion under paragraph (1) applies
9 to the condition for which a claim is being made.

10 (3) A condition for which coverage is afforded on a pet
11 insurance policy may not be considered a preexisting
12 condition upon any renewal of the pet insurance policy.

13 (b) Waiting periods.--

14 (1) A waiting period under a pet insurance policy for an
15 accident is prohibited.

16 (2) A waiting period under a pet insurance policy for an
17 illness or orthopedic condition not resulting from an
18 accident is permitted in accordance with the following:

19 (i) The waiting period may not exceed 30 days.

20 (ii) The waiting period, and the requirements
21 applicable to any waiting period, must be clearly and
22 prominently disclosed to a prospective insured prior to
23 the purchase of the pet insurance policy.

24 (iii) The pet insurance policy must contain a
25 provision that allows for the waiver of a waiting period
26 upon completion of a medical examination in accordance
27 with the following:

28 (A) The pet insurer may require the medical
29 examination to be conducted by a veterinarian.

30 (B) The medical examination shall be paid for by

1 the insured, unless the pet insurance policy
2 specifies that the pet insurer will pay for the
3 medical examination.

4 (C) The pet insurer may specify elements to be
5 included as part of the medical examination and
6 require documentation regarding the medical
7 examination, provided that the specifications do not
8 unreasonably restrict the waiver.

9 (c) Examination not required upon renewal.--A pet insurer
10 may not require a veterinary examination of a pet covered under
11 a pet insurance policy when the insured seeks a renewal of the
12 pet insurance policy.

13 (d) Wellness benefits.--

14 (1) If a pet insurer includes any prescriptive, wellness
15 or noninsurance benefits in the pet insurance policy form,
16 those benefits become part of the policy contract and must
17 follow all applicable insurance laws and regulations.

18 (2) An insured's eligibility to purchase a pet insurance
19 policy may not be based on participation, or lack of
20 participation, in a separate wellness program.

21 (E) ACCEPTANCE.--A PET INSURER SHALL ACCEPT A CLAIM <--
22 SUBMITTED BY AN INSURED ELECTRONICALLY OR THROUGH PHYSICAL MAIL.
23 § 4507 4707. Sales practices for pet insurance policies. <--

24 A pet insurer:

25 (1) May not make any false, deceptive or misleading
26 statement in the advertisement of a pet insurance policy.

27 (2) Shall disclose in any advertisement regarding a pet
28 insurance policy a statement as to whether the pet insurer
29 will reduce coverage or increase premiums based on:

30 (i) the insured's claim history;

- 1 (ii) the species or breed of the pet covered under
2 the pet insurance policy;
3 (iii) the age of the pet covered under the pet
4 insurance policy; or
5 (iv) a change in the geographic location of the
6 insured.

7 ~~§ 4508~~ 4708. Sales practices for wellness programs. <--

8 (a) Prohibitions.--A pet insurer or insurance producer may
9 not: <--

10 ~~(1) Characterize a wellness program as pet insurance.~~

11 ~~(2) Offer a wellness program at the same time as the~~
12 ~~sale, solicitation or negotiation of a pet insurance policy.~~

13 CHARACTERIZE A WELLNESS PROGRAM AS PET INSURANCE. <--

14 (b) Conditions.--The sale, solicitation or negotiation of a
15 wellness program by a pet insurer or insurance producer shall be
16 in accordance with the following requirements:

17 (1) The purchase of the wellness program shall not be
18 required for the purchase of a pet insurance policy.

19 (2) The costs of the wellness program shall be separate
20 and identifiable from any pet insurance policy sold by a pet
21 insurer or insurance producer.

22 (3) The terms and conditions of the wellness program
23 must be separate from any pet insurance policy sold by a pet
24 insurer or insurance producer.

25 (4) The products or coverages available through the
26 wellness program shall not duplicate products or coverages
27 available through the pet insurance policy.

28 (5) The advertising of the wellness program shall not be
29 misleading and shall be in accordance with this subsection.

30 (6) The insured or prospective insured shall be provided

1 a notice containing the following information in 12-point
2 boldface type:

3 (i) A statement that a wellness program is not
4 insurance.

5 (ii) The address and customer service telephone
6 number of the pet insurer or insurance producer or broker
7 of record.

8 (iii) The department's mailing address, toll-free
9 telephone number and website address.

10 (c) Construction.--If a pet insurance policy contains
11 coverage for benefits described as "wellness benefits," the
12 benefits shall be considered insurance for purposes of this
13 chapter.

14 § ~~4509~~ 4709. Insurance producer training. <--

15 (a) Prohibitions.--An insurance producer may not sell,
16 solicit or negotiate a pet insurance policy or related product
17 unless the insurance producer is appropriately licensed in this
18 Commonwealth and has completed the training requirements of
19 subsection (c).

20 (b) Requirement.--~~An~~ A PET insurer shall ensure that its <--
21 INSURANCE producers are trained under subsection (c) and have <--
22 been appropriately trained on the coverages and conditions of
23 its pet insurance policies and related products.

24 (c) Training requirements.--The training required under this
25 section shall include the following topics:

26 (1) Pets' preexisting conditions and waiting periods.

27 (2) The differences between pet insurance and
28 noninsurance wellness programs.

29 (3) Pets' hereditary disorders, congenital anomalies or
30 disorders and chronic conditions and how pet insurance

1 policies interact with these conditions or disorders.

2 (4) Rating, underwriting, renewal and other related
3 administrative topics.

4 (d) Training in other states.--The satisfaction of the
5 training requirements of another state that are substantially
6 similar to the provisions of subsection (c) shall be deemed to
7 satisfy the training requirements in this Commonwealth.

8 § ~~4510~~ 4710. Violations.

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9 (a) Penalties and remedies.--Upon a determination by hearing
10 that this chapter has been violated, the commissioner may pursue
11 one or more of the following courses of action:

12 (1) Issue an order requiring the person in violation to
13 cease and desist from engaging in the violation.

14 (2) Suspend or revoke or refuse to issue or renew the
15 certificate or license of the person in violation.

16 (3) Impose a civil penalty of not more than \$5,000 for
17 each violation.

18 (4) Impose any other penalty or remedy deemed
19 appropriate by the commissioner, including restitution.

20 (b) Other remedies.--

21 (1) The enforcement remedies imposed under this section
22 are in addition to any other remedies or penalties that may
23 be imposed by any other applicable statute, including the act
24 of July 22, 1974 (P.L.589, No.205), known as the Unfair
25 Insurance Practices Act.

26 (2) A violation of this chapter is deemed and defined by
27 the commissioner to be an unfair method of competition and an
28 unfair or deceptive act or practice in accordance with the
29 Unfair Insurance Practices Act.

30 § ~~4511~~ 4711. Rules and regulations.

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1 The commissioner may promulgate rules and regulations to
2 administer and enforce this chapter.

3 Section 2. This act shall take effect in 180 days.