

2023 Regular Session

HOUSE BILL NO. 579

BY REPRESENTATIVE DUBUISSON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURANCE: Provides relative to pet insurance

1 AN ACT

2 To amend and reenact the heading of Subpart G of Part IV of Chapter 4 of Title 22 of the
3 Louisiana Revised Statutes of 1950 and to enact R.S. 22:1371 through 1375, relative
4 to pet insurance; to provide for definitions; to provide for disclosures; to provide for
5 policy conditions; to provide for wellness program sales practices; to provide for
6 producer training; to provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. The heading of Subpart G of Part IV of Chapter 4 of Title 22 of the
9 Louisiana Revised Statutes of 1950 is hereby amended and reenacted and R.S. 22:1371
10 through 1375 are hereby enacted to read as follows:

11 SUBPART G. ~~CROP AND LIVESTOCK~~ PET INSURANCE

12 §1371. Definitions

13 A. If a pet insurer uses any of the terms defined in this Section in a policy
14 of pet insurance, the pet insurer shall use the definitions of those terms as provided
15 in this Section and include the definitions in Subsection C of this Section in the
16 policy. The pet insurer shall also make the definitions available through a link on
17 the main page of the pet insurer's website or the pet insurer's program administrator's
18 website.

1 B. Nothing in this Section prohibits or limits the types of exclusions pet
2 insurers may use in their policies, nor requires pet insurers to utilize any of the
3 limitations or exclusions defined in this Section.

4 C. For the purposes of this Subpart, the following definitions apply:

5 (1) "Chronic condition" means a condition that can be treated or managed,
6 but not cured.

7 (2) "Congenital anomaly or disorder" means a condition that is present from
8 birth, whether inherited or caused by the environment, which may cause or
9 contribute to illness or disease.

10 (3) "Hereditary disorder" means an abnormality that is genetically
11 transmitted from parent to offspring that may cause illness or disease.

12 (4)(a) "Orthopedic" means conditions affecting the bones, skeletal muscle,
13 cartilage, tendons, ligaments, and joints.

14 (b) Orthopedic conditions include but are not limited to elbow dysplasia, hip
15 dysplasia, intervertebral disc degeneration, patellar luxation, and ruptured cranial
16 cruciate ligaments.

17 (c) Orthopedic conditions do not include cancers or metabolic, hemopoietic,
18 or autoimmune diseases.

19 (5) "Pet insurance" means a property insurance policy that provides coverage
20 for accidents and illnesses of pets.

21 (6)(a) "Preexisting condition" means any condition for which any of the
22 following are true prior to the effective date of a pet insurance policy or during any
23 waiting period:

24 (i) A veterinarian-provided medical advice.

25 (ii) The pet received previous treatment.

26 (iii) Based on information from verifiable sources, the pet had signs or
27 symptoms directly related to the condition for which a claim is being made.

28 (b) A condition for which coverage is afforded on a policy shall not be
29 considered a preexisting condition on any renewal of the policy.

1 (7) "Renewal" means to issue and deliver at the end of an insurance policy
2 period a policy which supersedes a policy previously issued and delivered by the
3 same pet insurer or affiliated pet insurer, which provides types and limits of coverage
4 substantially similar to those contained in the policy being superseded.

5 (8) "Veterinarian" means an individual who holds a valid license to practice
6 veterinary medicine from the appropriate licensing entity in the jurisdiction in which
7 he practices.

8 (9) "Veterinary expenses" means the costs associated with medical advice,
9 diagnosis, care, or treatment provided by a veterinarian, including but not limited to
10 the cost of drugs prescribed by a veterinarian.

11 (10) "Waiting period" means the period of time specified in a pet insurance
12 policy that is required to transpire before some or all of the coverage in the policy
13 can begin.

14 (11)(a) "Wellness program" means a subscription or reimbursement based
15 program that is separate from an insurance policy and provides goods and services
16 to promote the general health, safety, or wellbeing of a pet.

17 (b) If a wellness program constitutes a contract whereby one undertakes to
18 indemnify another or pay a specified amount upon determinable contingencies, it is
19 transacting in the business of insurance and is subject to the provisions of this Title.

20 (c) The definition provided in this Paragraph shall not be interpreted to
21 classify a contract directly between a service provider and a pet owner, that only
22 involves the two parties, as being the business of insurance, unless other indications
23 of insurance also exist.

24 §1372. Disclosures

25 A. A pet insurer transacting pet insurance shall make all of the following
26 disclosures to consumers:

27 (1) Whether the policy excludes coverage due to any of the following:

28 (a) A preexisting condition.

29 (b) A hereditary disorder.

1 (c) A congenital anomaly or disorder.

2 (d) A chronic condition.

3 (2) If the policy includes any exclusions other than those in Paragraph (1) of
4 this Subsection, the following statement shall be included in the policy: "Other
5 exclusions may apply. Please refer to the exclusions section of the policy for more
6 information."

7 (3) Whether any policy provision limits coverage through a waiting or
8 affiliation period, a deductible, coinsurance, or an annual or lifetime policy limit.

9 (4) Whether the pet insurer reduces coverage or increases premiums based
10 on the insured's claim history, the age of the covered pet, or a change in the
11 geographic location of the insured.

12 (5) Whether the underwriting company differs from the brand name used to
13 market and sell the product.

14 B.(1) Unless the insured has filed a claim under the pet insurance policy, a
15 pet insurance applicant shall have the right to examine and return the policy,
16 certificate, or endorsement to the company or an agent or insurance producer of the
17 company within fifteen days of receipt and the right to have the premium refunded
18 if, after examination of the policy, certificate, or endorsement, the applicant is not
19 satisfied for any reason.

20 (2) A pet insurer shall include the following statement or substantially
21 similar language on the first page of a policy, certificate, or endorsement, or attached
22 thereto, with specific instructions for a policyholder to return such policy, certificate,
23 or endorsement:

24 "You have fifteen days from the day you receive this policy, certificate, or
25 endorsement to review it and return it to the company if you decide not to keep it.
26 You are not required to tell the company why you are returning it. If you decide not
27 to keep it, simply return it to the company at its administrative office or you may
28 return it to the agent or insurance producer that you bought it from, if you have not
29 filed a claim. You must return it within fifteen days of the day you first received it,

1 if you do not want to keep it. The company shall refund the full amount of any
2 premium paid within thirty days after it receives the returned policy, certificate, or
3 endorsement. The premium refund shall be sent directly to the person who paid it.
4 If returned within fifteen days of the day first received, the policy, certificate, or
5 endorsement will be void as if it had never been issued."

6 C. A pet insurer shall disclose a summary description of the basis or formula
7 utilized to determine claim payments under the pet insurance policy, prior to policy
8 issuance and through a link on the pet insurer's website main page or the pet insurer's
9 program administrator's website main page.

10 D. A pet insurer that uses a benefit schedule to determine claim payments
11 under a pet insurance policy shall do both of the following:

12 (1) Disclose the applicable benefit schedule in the policy.

13 (2) Disclose all benefit schedules used by the pet insurer under its pet
14 insurance policies through a link on the pet insurer's website main page or the pet
15 insurer's program administrator's website main page.

16 E. A pet insurer that determines claim payments under a pet insurance policy
17 based on usual and customary fees, or any other reimbursement limitation based on
18 prevailing veterinary service provider charges, shall do both of the following:

19 (1) Include a usual and customary fee limitation provision in the policy that
20 describes the pet insurer's methodology for determining usual and customary fees
21 and an explanation as to how the methodology is applied in calculating claim
22 payments.

23 (2) Disclose the pet insurer's methodology for determining usual and
24 customary fees through a link on the pet insurer's website main page or the pet
25 insurer's program administrator's website main page.

26 F. If a medical examination by a licensed veterinarian is required to
27 effectuate coverage, the pet insurer shall disclose the required aspects of the
28 examination prior to purchase and disclose that examination documentation may
29 result in a preexisting condition exclusion.

1 G. The pet insurer shall disclose to consumers the waiting periods and
2 applicable requirements prior to a consumer's purchase of a policy.

3 H. The pet insurer shall include in pet insurance policies a summary of all
4 disclosures required in Subsections A through G of this Section in a separate
5 document titled "Insurer Disclosure of Important Policy Provisions."

6 I. The pet insurer shall provide a copy of the "Insurer Disclosure of
7 Important Policy Provisions" document provided for in Subsection H of this Section
8 through a link on the pet insurer's website main page or the pet insurer's program
9 administrator's website main page.

10 J. Upon issuance or delivery of a new pet insurance policy, the pet insurer
11 shall provide the policyholder with a copy of the "Insurer Disclosure of Important
12 Policy Provisions" document provided for in Subsection H of this Section in at least
13 twelve-point type.

14 K. Upon issuance or delivery of a pet insurance policy to a policyholder, the
15 pet insurer shall include a written disclosure with the following information, printed
16 in twelve-point boldface type:

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

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

21 (3) A statement advising the policyholder to contact the broker or agent for
22 assistance if the policy was issued or delivered by an agent or broker.

23 L. The disclosures required pursuant to this Section shall be in addition to
24 any other disclosures required by law, rule, or regulation.

25 §1373. Policy conditions

26 A. A pet insurer may issue policies that exclude coverage based on one or
27 more preexisting conditions, if appropriate disclosures are provided to the
28 policyholder. The pet insurer has the burden of proving that a preexisting condition
29 exclusion applies to the condition for which a claim is being made.

1 B.(1) A pet insurer may issue policies that impose waiting periods upon
2 effectuation of the policy, not to exceed thirty days, for illnesses or orthopedic
3 conditions not resulting from an accident. Waiting periods for accidents are
4 prohibited.

5 (2) A pet insurer utilizing a waiting period in compliance with this
6 Subsection shall include a provision in the policy that allows the waiting period to
7 be waived upon completion of a medical examination. A pet insurer may require the
8 examination to be conducted by a licensed veterinarian after the purchase of the
9 policy.

10 (3) A medical examination performed pursuant to Paragraph (2) of this
11 Subsection shall be paid for by the policyholder, unless the policy provides that the
12 pet insurer will pay for the examination.

13 (4) A pet insurer may specify elements to be included as part of the
14 examination and require documentation thereof, if the specifications do not
15 unreasonably restrict a policyholder's option to have the waiting periods waived as
16 provided in Paragraph (2) of this Subsection.

17 (5) Waiting periods and the requirements applicable thereto shall be
18 disclosed to consumers prior to the policy purchase.

19 (6) Waiting periods shall not be applied to renewals of existing coverage.

20 C. A pet insurer shall not require a veterinary examination of a covered pet
21 for a policyholder to have a policy renewed.

22 D. If a pet insurer includes any prescriptive, wellness, or noninsurance
23 benefits in the policy form, such provisions shall be made part of the policy contract
24 and shall conform to all applicable provisions of this Title and department rules and
25 regulations.

26 E. Eligibility to purchase a pet insurance policy shall not be based on
27 participation, or lack of participation, in a separate wellness program.

1 §1374. Sales practices2 A. Pet insurers and producers shall not market a wellness program as pet
3 insurance.4 B. If a wellness program is sold by a pet insurer or producer, all of the
5 following apply:6 (1) The purchase of the wellness program shall not be a requirement to the
7 purchase of pet insurance.8 (2) The costs of the wellness program shall be separate and identifiable from
9 any pet insurance policy sold by a pet insurer or producer.10 (3) The terms and conditions for the wellness program shall be separate from
11 any pet insurance policy sold by a pet insurer or producer.12 (4) The products and coverages available through the wellness program shall
13 not duplicate products or coverages available through the pet insurance policy.14 (5) The advertising of the wellness program shall not be misleading and shall
15 be in accordance with the provisions of this Section.16 (6) The pet insurer or producer shall make all of the following disclosures
17 to consumers, printed in twelve-point boldface type:18 (a) Wellness programs are not insurance.19 (b) The address and customer service telephone number of the pet insurer or
20 producer or broker of record.21 (c) The department's mailing address, toll-free telephone number, and
22 website address.23 C. Coverages included in the pet insurance policy contract described as
24 "wellness" benefits are insurance.25 §1375. Producer training26 A. An insurance producer shall not sell, solicit, or negotiate a pet insurance
27 product until the producer is licensed in a major line of authority and has completed
28 the required training identified in Subsection C of this Section.

1 B. An insurer shall ensure that its producers are trained on the topics
2 prescribed in Subsection C of this Section and on the coverages and conditions of its
3 pet insurance products.

4 C. The training required pursuant to this Section shall include information
5 on the following topics:

6 (1) Preexisting conditions and waiting periods.

7 (2) The differences between pet insurance and noninsurance wellness
8 programs.

9 (3) Hereditary disorders, congenital anomalies and disorders, chronic
10 conditions, and how pet insurance policies interact with those conditions and
11 disorders.

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

13 D. The satisfaction of the training requirements of another state that are
14 substantially similar to the provisions of Subsection C of this Section shall be
15 deemed to satisfy the training requirements in this state.

16 Section 2. This Act shall become effective January 1, 2024.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 579 Engrossed

2023 Regular Session

DuBuisson

Abstract: Provides relative to pet insurance policies and the necessary regulations for such policies.

Proposed law defines chronic condition, congenital anomaly or disorder, hereditary disorder, orthopedic, pet insurance, preexisting condition, renewal, veterinarian, veterinary expenses, waiting period, and wellness program.

Proposed law requires a pet insurer, who is transacting pet insurance, to disclose all of the following to consumers:

- (1) Whether the policy excludes coverage due to certain health conditions provided in proposed law.
- (2) Whether the policy includes any exclusions other than those provided for in proposed law and if so, proposed law provides the required statement that shall be included in the policy.

- (3) Whether any policy provision 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.
- (5) Whether the underwriting company differs from the brand name used to market and sell the product.

Proposed law provides that unless the insured has filed a claim under the pet insurance policy, a pet insurance applicant shall have the right to examine and return the policy, certificate, or endorsement to the company, agent, or insurance producer of the company within 15 days of receipt. Proposed law further provides that, after examination of the policy, certificate, or endorsement, if the applicant is not satisfied for any reason, he has the right to have the premium refunded.

Proposed law requires pet insurance policies, certificates, and endorsements to have a notice prominently printed on its first page or attached thereto with specific instructions for a policyholder to return such policy. Proposed law provides the required statement or language substantially similar to the statement provided for in proposed law.

Proposed law requires a pet insurer to disclose a summary description or formula used to determine claim payments under the pet insurance policy. Proposed law further requires that such disclosure be made prior to the policy issuance and through a link on the pet insurer's website main page or the pet insurer's program administrator's website main page.

Proposed law provides that when a medical examination by a licensed veterinarian is required to effectuate coverage, the pet insurer shall disclose the required aspects of the examination prior to purchase and disclose that examination documentation may result in a preexisting condition exclusion.

Proposed law requires the pet insurer to include in its pet insurance policies a summary of all disclosures required by proposed law. Proposed law further requires, upon issuance or delivery of a pet insurance policy to a policyholder, the pet insurer to provide the policyholder with a copy of disclosures required by proposed law.

Proposed law requires the pet insurer to include a written disclosure with the following information, printed in 12-point boldface type:

- (1) The department's mailing address, toll-free telephone number, and website address.
- (2) The address and customer service telephone number of the pet insurer or the agent or broker of record.
- (3) A statement advising the policyholder to contact the broker or agent for assistance if the policy was issued or delivered by an agent or broker.

Proposed law allows a pet insurer to issue policies that exclude coverage based on one or more preexisting conditions when appropriate disclosures are provided to the policyholder. Proposed law provides that the pet insurer has the burden of proving that a preexisting condition exclusion applies to the condition for which a claim is being made.

Proposed law prohibits a pet insurer from requiring a veterinary examination of a covered pet in order for a policyholder to have a policy renewed.

Proposed law prohibits eligibility for purchasing a pet insurance policy to be based on participation, or lack of participation, in a separate wellness program.

Proposed law prohibits pet insurers and producers from marketing a wellness program as pet insurance.

Proposed law provides a list of requirements if a pet insurer or producer sells a wellness program.

Proposed law provides that coverages included in a pet insurance policy contract described as "wellness" benefits are insurance.

Proposed law prohibits an insurance producer from selling, soliciting, or negotiating a pet insurance product until the producer is licensed in a major line of authority and has completed the required training provided by proposed law. Proposed law requires insurers to ensure that its producers are trained and that they are trained on the coverages and conditions of its pet insurance products.

Proposed law provides that if the training requirements of another state are substantially similar to the provisions required in proposed law then those requirements are deemed to satisfy the training requirements in this state.

Effective Jan. 1, 2024.

(Amends the heading of Subpart G of Part IV of Chapter 4 of Title 22 of the Louisiana Revised Statutes of 1950; Adds R.S. 22:1371-1375)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Make technical changes.