



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

HOUSE BILL NO. 660

PRINTER'S NO. 2785

PRIME SPONSOR: Schlossberg

### COST / (SAVINGS)

FUND	FY 2023/24	FY 2024/25
Insurance Regulation and Oversight Fund	See Fiscal Impact	See Fiscal Impact

### SUMMARY:

House Bill 660, Printer's Number 2785 would establish guidelines and regulations for pet insurance companies in Pennsylvania and implement protections for customers of pet insurance.

### ANALYSIS:

This legislation amends Title 40 (Insurance) of the Pennsylvania Consolidated Statutes by adding Chapter 47 (Pet Insurance) to establish requirements for pet insurance. These requirements include defined terms for use in pet insurance policies and on the pet insurer's website.

In addition to defined terms, the legislation includes requirements for insurers to allow consumers that apply for pet insurance to examine the policy and, if not satisfied, return the policy to the insurance agent or insurance producer within 30 days of the receipt of the policy for a refund.

Pet insurance policies must disclose of any coverage exclusions, which may include:

- Preexisting conditions;
- A hereditary disorder;
- A congenital anomaly or disorder; or
- A chronic condition.

Other policy disclosures that are required include:

- Coverage limitation through a waiting period;
- Any deductible or coinsurance;
- Any annual or lifetime policy limits;
- Whether coverage will be reduced or premiums will be increased based on the insured's claims history, age of the covered pet, or a change in the geographic location;
- The name of the underwriting company if it differs from the brand name of the pet insurance company;
- A summary of the formula or fee schedule used to determine claim payments under the policy; and
- If a medical examination by a veterinarian is required to begin coverage.

All pet insurers must be appropriately licensed in the Commonwealth and must complete the training requirements as required by this legislation. Any violations resulting from failure to meet these requirements will be assessed penalties or remedies which may include the suspension or revocation of the insurer's license, imposition of civil penalties of not more than \$5,000 per violation, or other penalties as deemed appropriate by the Insurance Commissioner.

This legislation will take effect in 180 days.

**FISCAL IMPACT:**

The Department of Insurance licenses insurance companies, including pet insurance companies, operating in Pennsylvania and oversees the insurance companies' compliance with requirements included in Title 40. Additionally, the department investigates any potential compliance issues and, if necessary, imposes penalties or remedies as included in this legislation. The department does not currently anticipate any increase in administrative costs due to the addition of pet insurance requirements.

The collection of penalties and fines by the department may result in increased revenue received by the Commonwealth in the Insurance Regulation and Oversight Fund. However, the number of insurance companies that would be found to be out of compliance with these requirements and have fines assessed is unknown at this time. Therefore, any increased revenue to the Commonwealth is currently indeterminate.

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**DATE:** April 8, 2024

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*