
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 AND WEBSTER,
MARCH 21, 2023

REFERRED TO COMMITTEE ON INSURANCE, MARCH 21, 2023

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

10 PET INSURANCE

11 Sec.

12 4501. Purpose and scope of chapter.

13 4502. Definitions.

14 4503. Use of definitions in pet insurance policy.

15 4504. Right to examine and return pet insurance policy.

16 4505. Policy disclosures.

17 4506. Policy conditions.

1 4507. Sales practices for pet insurance policies.

2 4508. Sales practices for wellness programs.

3 4509. Insurance producer training.

4 4510. Violations.

5 4511. Rules and regulations.

6 § 4501. Purpose and scope of chapter.

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

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

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

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

16 § 4502. Definitions.

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

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

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

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

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

1 "Insured." A person on whose behalf a pet insurer is
2 obligated to pay or reimburse covered veterinary expenses under
3 a pet insurance policy.

4 "Orthopedic condition." As follows:

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

7 (2) The term includes elbow dysplasia, hip dysplasia,
8 intervertebral disc degeneration, patellar luxation and
9 ruptured cranial cruciate ligaments.

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

12 "Pet insurance policy." A property insurance policy,
13 certificate or rider that provides coverage for accidents and
14 illnesses of pets.

15 "Pet insurer." An insurer that issues a pet insurance
16 policy.

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

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

23 (1) A veterinarian provided medical advice regarding the
24 pet.

25 (2) The pet received previous treatment.

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

29 "Renewal." The issuance and delivery of a pet insurance
30 policy, at the end of a pet insurance policy period, which:

1 (1) supersedes the pet insurance policy previously
2 issued and delivered by the same pet insurer or an affiliated
3 pet insurer; and

4 (2) provides types and limits of coverage substantially
5 similar to those contained in the pet insurance policy being
6 superseded.

7 "Veterinarian." An individual who holds a valid license to
8 engage in the practice of veterinary medicine from the
9 appropriate licensing entity of the jurisdiction in which the
10 individual engages in the practice of veterinary medicine.

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

14 "Waiting period." As follows:

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

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

20 "Wellness program." As follows:

21 (1) A subscription or reimbursement-based program that
22 is separate from a pet insurance policy that provides goods
23 and services to promote the general health, safety or well-
24 being of the pet.

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

27 § 4503. Use of definitions in pet insurance policy.

28 (a) Terms.--If a pet insurer uses any of the terms in
29 section 4502 (relating to definitions) in a pet insurance
30 policy, the definition under section 4502 shall apply and the

1 pet insurer shall include the definition of the term in the pet
2 insurance policy.

3 (b) Website.--A pet insurer shall make each definition
4 described in subsection (a) available through a clear and
5 conspicuous link on the main page of the publicly accessible
6 Internet website of the pet insurer or pet insurer's program
7 administrator.

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

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

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

13 § 4504. Right to examine and return pet insurance policy.

14 (a) General rule.--Except as provided in subsection (b), an
15 individual who applies for a pet insurance policy may examine
16 the pet insurance policy and, if not satisfied with the pet
17 insurance policy for any reason, may return the pet insurance
18 policy to the company that produced the pet insurance policy, or
19 an agent or insurance producer of the company, within 15 days of
20 receipt of the pet insurance policy. The following apply:

21 (1) The company that produced the pet insurance policy
22 shall refund any premium paid by the individual regarding the
23 pet insurance policy within 30 days after receiving the
24 returned pet insurance policy.

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

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

30 (b) Exception.--Subsection (a) shall not apply if the

1 individual is an insured who has filed a claim under the pet
2 insurance policy.

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

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

21 § 4505. Policy disclosures.

22 (a) Information.--A pet insurer shall clearly and
23 conspicuously disclose, in accordance with subsection (b), the
24 following information to an insured or a prospective insured in
25 a pet insurance policy:

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

28 (i) A preexisting condition.

29 (ii) A hereditary disorder.

30 (iii) A congenital anomaly or disorder.

1 (iv) A chronic condition.

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

6 (3) Any limitation of coverage through a waiting period
7 or affiliation period.

8 (4) Any deductible or coinsurance.

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

11 (6) Whether the pet insurer will reduce coverage or
12 increase premiums based on the insured's claim history, the
13 age of the covered pet or a change in the geographic location
14 of the insured.

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

17 (8) A summary description of the basis or formula on
18 which the pet insurer determines claim payments under the pet
19 insurance policy.

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

22 (i) The applicable benefit schedule in the pet
23 insurance policy.

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

26 (10) If a pet insurer determines claim payments under a
27 pet insurance policy based on usual and customary fees, or
28 any other reimbursement limitation based on prevailing
29 veterinary service provider charges:

30 (i) The usual and customary fee limitation provision

1 in the pet insurance policy that clearly describes the
2 pet insurer's basis for determining usual and customary
3 fees and how that basis is applied in calculating claim
4 payments.

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

7 (11) If any medical examination by a veterinarian is
8 required to effectuate coverage, the required aspects of the
9 examination and a statement that the examination
10 documentation may result in a preexisting condition
11 exclusion.

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

14 (b) Methods of disclosure.--

15 (1) A pet insurer shall prepare a separate document in
16 at least 12-point type that contains the information
17 specified under subsection (a) and in section 4504 (relating
18 to right to examine and return pet insurance policy), which
19 shall be titled "Insurer Disclosure of Important Policy
20 Provisions." The following apply:

21 (i) The pet insurer shall post the document through
22 a clear and conspicuous link on the main page of the
23 publicly accessible Internet website of the pet insurer
24 or pet insurer's program administrator.

25 (ii) The pet insurer shall provide the insured a
26 copy of the document upon issuance or delivery of the pet
27 insurance policy.

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

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

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

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

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

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

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

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

23 § 4506. Policy conditions.

24 (a) Preexisting conditions.--

25 (1) A pet insurer may issue pet insurance policies that
26 exclude coverage on the basis of one or more preexisting
27 conditions if the pet insurer follows the disclosure
28 requirements of section 4505 (relating to policy
29 disclosures).

30 (2) A pet insurer has the burden of proving that the

1 preexisting condition exclusion under paragraph (1) applies
2 to the condition for which a claim is being made.

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

6 (b) Waiting periods.--

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

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

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

13 (ii) The waiting period, and the requirements
14 applicable to any waiting period, must be clearly and
15 prominently disclosed to a prospective insured prior to
16 the purchase of the pet insurance policy.

17 (iii) The pet insurance policy must contain a
18 provision that allows for the waiver of a waiting period
19 upon completion of a medical examination in accordance
20 with the following:

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

23 (B) The medical examination shall be paid for by
24 the insured, unless the pet insurance policy
25 specifies that the pet insurer will pay for the
26 medical examination.

27 (C) The pet insurer may specify elements to be
28 included as part of the medical examination and
29 require documentation regarding the medical
30 examination, provided that the specifications do not

1 unreasonably restrict the waiver.

2 (c) Examination not required upon renewal.--A pet insurer
3 may not require a veterinary examination of a pet covered under
4 a pet insurance policy when the insured seeks a renewal of the
5 pet insurance policy.

6 (d) Wellness benefits.--

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

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

14 § 4507. Sales practices for pet insurance policies.

15 A pet insurer:

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

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

21 (i) the insured's claim history;

22 (ii) the species or breed of the pet covered under
23 the pet insurance policy;

24 (iii) the age of the pet covered under the pet
25 insurance policy; or

26 (iv) a change in the geographic location of the
27 insured.

28 § 4508. Sales practices for wellness programs.

29 (a) Prohibitions.--A pet insurer or insurance producer may
30 not:

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

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

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

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

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

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

15 (4) The products or coverages available through the
16 wellness program shall not duplicate products or coverages
17 available through the pet insurance policy.

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

20 (6) The insured or prospective insured shall be provided
21 a notice containing the following information in 12-point
22 boldface type:

23 (i) A statement that a wellness program is not
24 insurance.

25 (ii) The address and customer service telephone
26 number of the pet insurer or insurance producer or broker
27 of record.

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

30 (c) Construction.--If a pet insurance policy contains

1 coverage for benefits described as "wellness benefits," the
2 benefits shall be considered insurance for purposes of this
3 chapter.

4 § 4509. Insurance producer training.

5 (a) Prohibitions.--An insurance producer may not sell,
6 solicit or negotiate a pet insurance policy or related product
7 unless the insurance producer is appropriately licensed in this
8 Commonwealth and has completed the training requirements of
9 subsection (c).

10 (b) Requirement.--An insurer shall ensure that its producers
11 are trained under subsection (c) and have been appropriately
12 trained on the coverages and conditions of its pet insurance
13 policies and related products.

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

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

17 (2) The differences between pet insurance and
18 noninsurance wellness programs.

19 (3) Pets' hereditary disorders, congenital anomalies or
20 disorders and chronic conditions and how pet insurance
21 policies interact with these conditions or disorders.

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

24 (d) Training in other states.--The satisfaction of the
25 training requirements of another state that are substantially
26 similar to the provisions of subsection (c) shall be deemed to
27 satisfy the training requirements in this Commonwealth.

28 § 4510. Violations.

29 (a) Penalties and remedies.--Upon a determination by hearing
30 that this chapter has been violated, the commissioner may pursue

1 one or more of the following courses of action:

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

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

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

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

10 (b) Other remedies.--

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

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

20 § 4511. Rules and regulations.

21 The commissioner may promulgate rules and regulations to
22 administer and enforce this chapter.

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