October 30, 2019

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Dear Mr. Brandenburg:

Thank you for the opportunity to comment on sections one through four of the Pet Insurance Model Act Discussion Draft.

Section 1

At the October 1, 2019 working group teleconference, there was discussion of changing the name to the Pet Health Insurance Act or Pet Care Insurance Act. While Washington is not certain there is misunderstanding in the marketplace of Pet Insurance being confused for insurance products that provide liability coverage if a pet owner was found legally liable of their pet’s actions; if the choice is between the two, Washington would prefer Pet Care Insurance Act.

The addition of “Health” into an inland marine product name may cause confusion with consumers. While we continue to hear how pet insurance is pet “health insurance”, within the scope of insurance, it is property insurance. The pet is not an enrollee in a health plan nor does it have any contractual rights. As cold as it may sound, the pet is the personal property that is insured under the policy; the insured is the property owner.

Section 2

There was discussion at the last teleconference on subsection B. to change “covers” to “issued to.” Washington supports this change.

Section 3

Washington recommends removing “pet” from “pet insurer” in the first sentence. The sentence references an insurance company that sells pet insurance products. There are some companies that market themselves as “pet insurers” when in fact they are the producer, not the direct underwriter. Since this sentence references a policy, it should only be “insurer” in this first paragraph.

The use of the phrase “main page” throughout the document seems burdensome. If the insurer has many non-pet products, putting a bunch of pet insurance related links on its home page seems like an onerous requirement that may cause confusion for those accessing the web site. We should discuss alternative language; possibly, main page for the pet insurance product, or landing page for pet
insurance information, etc. Additionally, shouldn’t this also be a requirement for pet insurance producers?

Subsection A: “Chronic” usually is long lasting and ongoing, versus “acute”, which is sudden. The use of the word “cured” is not often used in opposition to chronic. Chronic conditions can be cured. It seems something like “Incurable ongoing condition” fits closer to the definition provided.

Subsection D: The use of “group insurance policy” is technically problematic within property insurance. If sold as a personal line, there are no groups to insure. If sold under commercial lines, then the property insured is part of the business. Is the use of “group” simply a marketing term? How is group pet insurance underwritten on a group basis?

If a person leaves the group, are they provided a “conversion” policy? How are renewal notices sent to the individual that is no longer part of the group? Due to these concerns, we recommend removing “or group.”

Subsection E: Does this definition mean that if a veterinarian did NOT provide medical advice, then it is not a preexisting condition? If that is not the intent, it may be better to structure the subsection as a list:

“Preexisting condition” means any condition for which:
   i. A veterinarian provided medical advice;
   ii. The pet received previous treatment; or
   iii. The pet displayed signs or symptoms consistent with the stated condition prior to the effective date of a pet insurance policy or during any waiting period.

Subsection F: We need language that can be replaced for each states’ veterinarian licensing authority.

Subsection G: Don’t vet offices have non-professional staff who provide services? Are those services included in the act?

Section 4

Structurally, the subsections in Section 4 are using parentheses while the prior sections did not. Should there be consistency through the act? Additionally it is missing (B).

Continuing from our prior objection of using “pet’ insurer, we recommend just using insurer throughout the act when speaking about the insurance company that underwrites a pet insurance product. If the subsection is discussing a producer, it should say producer.
Subsection (C): How does this section apply to producers’ websites?

Subsection (H): This section on delivery of notice is problematic if we leave in “group insurance” in the definitions. If it is a group insurance policy, who is the policy owner and what do you call the other members of the group? How are renewal notices delivered to individuals covered under the group?

Subsection (I): Continuing the problematic nature of group insurance in the P&C realm, do group members also get a copy of the policy or only the policy owner? How are certificates of coverage delivered or other documents explaining the coverages?

Additional disclosure: Washington recommends that there be an additional disclosure explaining that the premiums will increase as the pet ages and is also affected by where you live.

Thank you again for accepting these comments. We look forward to our next working group meeting on November 7th. If there are questions regarding this matter, please do not hesitate to contact me at (360) 725-7042 or davidf@oic.wa.gov

Sincerely,

[Signature]

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