



September 28, 2020

Dear Mr. Brandenburg, Ms. Crews, and Members of the Pet Insurance (C) Working Group:

On behalf of Companion Protect Agency, LLC (“Companion Protect”), we thank you for the opportunity to comment on Sections 5 and 6 of the draft Pet Insurance Model Act.

We strongly support allowing pet insurance to be sold under a limited lines producer licensing structure for the following reasons:

- Pet insurance is a specialty product that is incidental to pet ownership and suitable for limited lines treatment. Consumers today demand ready access to coverage in environments where it is most timely and relevant to them. And states should be looking for ways to facilitate access to pet insurance at the consumer’s point-of-need—where pets are rescued, adopted, purchased, or cared for—and as a means to encourage responsible pet ownership and accommodate animal rescues, adoptions, purchases, and care.
- Access to pet insurance can mean the difference between a pet being adopted from a shelter, or remaining in a shelter and being killed. Pet insurance can also prevent people from abandoning or returning pets that develop health problems. It can also alleviate the need for a consumer to weigh the difficult decision between paying for expensive treatments or surgeries and economic euthanasia of their pet. And rather than limiting access to pet insurance to the single distribution channel of licensed major line producers, states should focus on making pet insurance more widely available through multiple distribution channels, including at the point-of-need in animal shelters and veterinarian’s offices.
- Allowing pet insurance to be offered at the point-of-need allows a veterinarian or shelter employee who has specialized knowledge regarding the pet’s health and its care, the opportunity to provide information to the consumer about the financial risk associated with the animal’s welfare and potential vet bills—something most major line producers are simply not equipped to do.
- And shelters and veterinarian offices simply don’t have the resources to have all of their employees complete the pre-licensing education, pre-licensing examination, fingerprinting, continuing education, and licensing required of a major line producer.
- Major line property and casualty producer education requirements focus on topics irrelevant to pet insurance products and do not mandate any education or training regarding pet products. After reviewing the pre-licensing and continuing education courses and exam content outlines for the major line property and casualty producer license in several states and with several national course and exam content providers, those courses and examinations do not cover the topic of pet insurance nor do they address key

concepts relevant to pet insurance such as annual limits, lifetime limits, copays, coinsurance, and pre-existing condition exclusions. In fact, the bulk of the topics covered in those courses and examinations are irrelevant to pet insurance products.

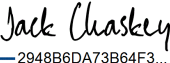
- On the other hand, a limited lines producer may be required to receive a program of instruction or training on pet insurance. And that program of instruction and training would be subject to review by the state insurance department. In addition, the information, disclosures, brochures and other materials available to consumer through this limited lines approach would be subject to review by the state insurance department.

In summary, we believe that limited lines is the best producer licensing solution for pet insurance because it is the only option that serves the dual roles of ensuring (1) greater consumer access to pet insurance at the point of need and (2) proper training and education on the products being offered for those making the products available to consumers at the point of need. It also avoids the need to revisit the PLMA to create a major line of authority for pet insurance.

We applaud the Working Group's efforts to regulate pet insurance and implement a limited lines licensing structure for producers to sell pet insurance. For the Working Group's review and consideration, we have prepared and enclosed a revised Licensing section reflecting the limited lines producer licensing structure that we believe should be applied to pet insurance.

We appreciate your attention and look forward to working with you and the Working Group as this process moves forward.

Thank you,

DocuSigned by:

2948B6DA73B64F3...

Jack Chaskey

chaskeyj@westmontlaw.com