**NAIC Pet Insurance Model Law – Working Draft: California Proposed Amendments 10.7.21**

**Section 3 Definitions**

As used in this Act:

K. “Wellness program” means a subscription or reimbursement-based program that is separate from an insurance policy that provides goods and services to promote the general health, safety, or wellbeing of the pet. **~~These goods and services include wellness exams, fecal tests, blood tests, vaccinations/titers, preventive medications for fleas, ticks, and heartworm, dental cleaning, spay and neuter procedures, nail trimming, grooming, and licensing tags.~~** If any wellness program [insert language from state statute or regulation that defines the trigger for insurance contracts, which might include language such as: [undertakes to indemnify another], or [pays a specified amount upon determinable contingencies] or [provides coverage for a fortuitous event]], it is transacting in the business of insurance and is subject to the insurance code.  This definition is not intended to classify a contract directly between a service provider and a pet owner that only involves the two parties as being “the business of insurance,” unless other indications of insurance also exist.

**Section 7 Sales Practices for Wellness Programs**

1. **~~A wellness program may be marketed and sold alongside a pet insurance policy~~ *An insurance licensee shall not market or sell a wellness program as pet insurance or during the transaction of pet insurance.***

***B. If a wellness program is sold*** by **~~a licensed insurance entity as long as~~ *an insurance licensee***:

1. The purchase of the wellness program **~~is~~** ***shall*** not ***be*** a requirement to the purchase of pet insurance;
2. The costs **~~for each~~** ***of the*** wellness program **~~are~~** ***shall be*** separate and identifiable ***from any pet insurance policy sold by the insurance licensee***;
3. The terms and conditions for the wellness program **~~are~~** ***shall be*** separate from **~~the~~** ***any pet insurance*** policy ***sold by the insurance licensee***;
4. The ***products available through the*** wellness program **~~does~~** ***shall*** not duplicate products available through the pet insurance policy **~~that is marketed and sold alongside such wellness program~~**; and

(5) The advertising of the wellness program **~~is~~** ***shall*** not ***be*** misleading and ***shall be*** in accordance with Subsection 7B of this Model.

**~~(B~~*C***) In addition to the [insert state Unfair Trade Practices law], the following marketing practices ***shall*** apply to **~~wellness programs marketed and sold alongside a pet insurance policy by a licensed insurance entity~~ *insurance licensees who market and or sell wellness programs***:

1. **~~Advertising must distinguish between the offered pet insurance and the wellness program, so that the consumer can clearly understand which product is insurance, and which product is not insurance.~~**
2. **~~For advertisements that include costs:~~**
3. **~~The advertisement must clearly disclose whether the cost includes pet insurance; and~~**
4. **~~The cost of the insurance premium must be clearly disclosed prior to enrollment.~~**

***(1)\_ Pet insurance and wellness programs shall not be advertised together in order to avoid consumer confusion regarding which product are insurance and which product are not insurance.***