

Cari L Lee
608 345 5377
calee@steptoe.com

Steptoe

1330 Connecticut Avenue, NW
Washington, DC 20036-1795
202 429 3000 main
www.steptoe.com

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Delivered via Electronic Mail – vicki.schmidt@ks.Gov, abrandenburg@naic.org

Commissioner Vicki Schmidt
Chair, NAIC Property and Casualty Insurance (C) Committee
Kansas Insurance Department
1300 SW Arrowhead Road
Topeka, KS 66604

RE: NAPHIA Comments on the Draft Pet Insurance Model Act

Commissioner Schmidt and Members of the (C) Committee;

The North American Pet Health Insurance Association (NAPHIA) offers the following comments in advance of the Property and Casualty Insurance (C) Committee meeting scheduled for November 10, 2021. NAPHIA appreciates the Pet Insurance Working Group's significant efforts to date to craft a consumer-friendly, workable model law for pet insurance. NAPHIA remains in favor of a regulatory framework that improves industry transparency and consumer disclosures and allows for product innovation to meet the needs of all consumers. In the end, NAPHIA members want consumers to have options for meaningful coverage (i.e., real financial assistance in the event their pets are injured or ill) at a premium they can afford, and we want them to be happy with their purchase.

While we reached many compromises with Working Group members and are aligned on much of the language in the draft model, NAPHIA continues to have strong concerns with certain provisions in the model, mainly: 1) the restrictions and prohibitions on waiting periods, which are critical to prevent adverse selection and keep premiums affordable; and 2) the last-minute language prohibiting the marketing of non-insurance wellness products during the sale of pet insurance. Given these concerns, NAPHIA will advocate in states that seek to implement the model for modifications that maintain affordability while maximizing consumer choice, including the option for consumers to evaluate additional non-insurance wellness offerings alongside their purchase of pet insurance.

Finally, we would like to thank the NAIC and its staff, working group regulators, and Commissioners for the countless hours, calls, and discussions that went into developing this model. We look forward to working with each of you as states consider adoption of the model.

Sincerely,

Cari Lee

Cari L. Lee
On behalf of the North American Pet Health Insurance Association