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Pet Insurance (C) Working Group

Virtual Meeting

October 21, 2020

The Pet Insurance (C) Working Group of the Property and Casualty Insurance (C) Committee met Oct. 21, 2020. The following Working Group members participated: Don Beatty, Chair (VA); Kendra Zoller, Vice Chair, and Risa Salat-Kolm (CA); Kristin Fabian (CT); Tom Travis (LA); Sheri Cullen (MA); Linas Glemza, Rasheda Chairs and Shirley Corbin (MD); LeAnn Cox and Jeana Thomas (MO); Michael McKenney (PA); Matt Gendron (RI); Kathy Stajduhar (UT); Anna Van Fleet (VT); and David Forte and Eric Slavich (WA). Also participating were: Ken Williamson (AL); Brenda Johnson and Tate Flott (KS); Tracy Burns (NE); and Maggie Dell (SD).

1. Adopted its Sept. 30 Minutes

Mr. Forte made a motion, seconded by Mr. McKenney, to adopt the Working Group’s Sept. 30 minutes (Attachment --). The motion passed unanimously.

1. Discussed Section 6 of the Draft Pet Insurance Model Law

Mr. Beatty said on the last conference call, the Working Group voted to refer the licensing portion of the model to the Producer Licensing (D) Task Force. He said there has been discussion between the leadership of the Task Force and the Working Group since the Working Group’s prior conference call. He asked Mr. Gendron to give an update on those discussions and the position of the Task Force.

Mr. Gendron said the co-chairs of the Producer Licensing (D) Task Force believe the Task Force is the appropriate group to deal with the licensing issue, and the Task Force would take up the issue if presented with a formal proposal from a state insurance regulator. Mr. Forte asked if the outcome of the Task Force’s decisions on pet insurance licensing would then be included in the Pet Insurance Model Law. Mr. Gendron clarified that the model would not be dependent on the actions of the Task Force. Rather the model would include a drafting note that instructs states to review the NAIC *State Licensing Handbook* and guidance provided by the Task Force when considering adoption of the model. Ms. Zoller said the current producer licensing guidance is that pet insurance producers would be required to have a limited lines license. Mr. Gendron said the Task Force would view this issue as a priority in 2021. Ms. Zoller said the licensing issue was originally a referral from the Task Force. Mr. Gendron said in 2018, the Task Force made a referral to the Property and Casualty Insurance (C) Committee to further develop the topic of pet insurance and draft a white paper and model law on pet insurance with the intent that the topic of licensing would again be taken up by the Task Force. Mr. McKenney said he would like the topics of pet retailers to get attention elsewhere in the model if Section 6—Licensing is removed. Kate Jensen (North American Pet Health Insurance Association—NAPHIA) said NAPHIA’s position is that while the Task Force is the appropriate group to deal with the licensing issue, the issue of non-licensed entities, such as pet retailers, should be addressed by this model. She asked if all of Section 6 should be removed or if the section could still address the actions of non-licensed entities. Mr. Gendron said the non-licensed entities are tied into what a limited lines license would allow a producer to do; therefore, the entire section should be handled by the Task Force. Ms. Jensen said pet retailers should not be selling insurance; therefore, they would not require a license. She said this issue should be addressed elsewhere in the model law if Section 6 is removed. Paul Williams (Unum) said there is a lot of interest by employers and employees to have pet insurance offered as an employment benefit. He said allowing life and health insurers to be licensed to sell pet insurance would allow for the expansion of the scope and availability of pet insurance.

Mr. Gendron made a motion, seconded by Mr. McKenney, to remove Section 6 in the current draft model and replace it with a drafting note that reads: “When each state considers adopting this model, they should review the NAIC *State Licensing Handbook* and other guidance adopted by the Producer Licensing (D) Task Force with respect to licensing issues.” The motion passed unanimously.

The Working Group will continue discussion of submitted comments for Sections 7 through 9 on the next conference call.

Having no further business, the Pet Insurance (C) Working Group adjourned.

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