



August 27, 2020

Mr. Don Beatty  
Chair, NAIC Pet Insurance (C) Working Group  
National Association of Insurance Commissioners  
1100 Walnut Street  
Suite 1500  
Kansas City, MO 64106-2197

Dear Chair Beatty:

This submission is on behalf of Trupanion Managers USA, Inc. ("Trupanion") regarding the Pet Insurance (C) Working Group's draft model law ("Model Law"), specifically in connection with the proposed list titled "Understanding Your Pet Insurance Policy: Important Things to Consider" guide that the North American Pet Health Insurance Association ("NAPHIA") submitted to the Working Group on July 15, 2020, and NAPHIA's related August 25, 2020 letter to the Working Group.

Trupanion strongly supports the concept of a mandated template disclosure to help pet owners. Unlike auto insurance, for example, the pet insurance industry is relatively new and much less penetrated, so consumers will benefit from such disclosure more so here than for other lines. In short, we believe that the interests of regulators, pet owners, and the industry are aligned to transparently make consumers aware of what a given product covers and what it does not.

But Trupanion respectfully submits that NAPHIA's proposed list of "important things to consider" contains one critical omission: It does not inform pet owners to consider whether a given product's premium will automatically go up as the pet ages. Without getting too far into the details, the marketplace offers consumers products that either (1) include pre-determined age factors, for example when a pet is 3 a factor of 0.87 might be applied to the base rate, when 6 a factor of 1.05 and when 10 a factor of 2.02, with intervening steps or (2) set premiums based on the age of the pet at enrollment, i.e. thereafter there is no automatic increase based solely on the pet aging. Any disclosure that brings awareness to pet owners of the other proposed "important" factors to consider before buying -- but not this issue -- does consumers a disservice.

NAPHIA contends in Section II.c of its August 25 letter that the disclosure list should not single out a limited number of reasons "premiums may go up or down", but this focus on hypothetical future events does not address the key issue. It is one thing to say that premiums may change in the future if, for example, the pet owner moves. It is quite another thing to know with 100% certainty at the time of policy enrollment that when a pet ages premiums will increase by a set factor, but then not to inform consumers they should understand this concept before making a purchase decision. And the consequence for pet owners can be severe: Because nobody today covers pre-existing conditions, a pet owner that wishes to switch insurance will not get coverage for any ongoing medical conditions that began after enrollment.

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Changing coverage in this industry is very different than switching, for example, from Geico to Progressive or vice versa.

Specific Recommendation:

Trupanion respectfully submits that the Model Law should include NAPHIA's proposed "Important Things to Consider" disclosure guide with one addition:

- Potential automatic increases in premium because your pet ages.

Thank you for your consideration of the above.

Sincerely,

A handwritten signature in blue ink that reads "Gavin Friedman". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Gavin Friedman  
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