



**Comments of the Center for Economic Justice  
To the NAIC Pet Insurance Working Group  
July 19, 2022**

CEJ offers the following comments to the Pet Insurance Working Group regarding the two proposals to revise the producer training section of the draft model act. We appreciate the effort of California, but urge the working group to adopt the CEJ proposal for several reasons. Our goal is for the working group to quickly adopt a revised model that addresses the concerns that held up prior adoption – with an emphasis on “quickly.”

First, the California proposal doesn’t adequately address the concerns that halted adoption of the prior model last December. We understand that the objection in December 2021 was based on including any producer training requirements in a model law other than the Producer Licensing Model Act. The California proposal doesn’t address this concern – it simply repackages the training requirements from the prior model. In contrast, the CEJ proposal addresses the earlier concern with a drafting note that explicitly recognizes that states may wish to rely upon existing producer licensing training requirements – an explicit response to the concern that held up the adoption of the model. We fear that, if adopted, the California proposal will generate the same objection as was voiced last December.

Second, at best, the California proposal will require edits prior to adoption and likely lead to delays in adoption. For example, proposed section 7D says, “States have the authority to promulgate laws or regulations defining what training or education should be required of producers selling, soliciting or negotiating a pet insurance product.” As currently written, this is a drafting note, not statutory language. Further, states already have this authority under the Producer Licensing Model Act, again triggering the concern raised last December.

Third, Section 7E states, “The satisfaction of the training requirements of another state that are substantially similar to the provisions of this section shall be deemed satisfy the training requirements of this subsection in this state. It is unclear what “this subsection” refers to. Is it the list of topics in Section 7C or is it the recognition of other states’ “substantially similar” provisions in 7E?

Fourth, Section 7D and 7E will lead to a lack of uniformity instead of encouraging greater uniformity. There is no limitation on the training requirements that can be imposed through Section 7D. If a state imposed significant additional training requirements, Section 7E would become meaningless.

In summary, CEJ's proposal succinctly addresses the concern that held up adoption of the prior model version and we urge swift adoption by the Pet Insurance working group.