

By: Senator(s) Michel, McLendon, Thomas, Williams

To: Insurance

SENATE BILL NO. 2228

1 AN ACT TO PROVIDE FOR THE SALE, ISSUANCE AND RENEWAL OF PET
 2 INSURANCE POLICIES; TO PROVIDE FOR THE PURPOSE OF THE ACT; TO
 3 PROVIDE RELEVANT DEFINITIONS; TO REQUIRE PET INSURANCE PROVIDERS
 4 TO DISCLOSE CERTAIN POLICY EXCLUSIONS AND LIMITATIONS TO
 5 CONSUMERS; TO ALLOW ANY PERSON AUTHORIZED IN A MAJOR LINE OF
 6 AUTHORITY AND APPOINTED BY A PET INSURER TO SELL, SOLICIT OR
 7 NEGOTIATE A PET INSURANCE PRODUCT; TO PROVIDE THAT THE
 8 COMMISSIONER OF INSURANCE MAY ESTABLISH TRAINING REQUIREMENTS FOR
 9 INSURANCE PROVIDERS SELLING PET INSURANCE; TO PROVIDE THAT THE
 10 COMMISSIONER MAY ISSUE RULES AND REGULATIONS TO IMPLEMENT AND
 11 ADMINISTER THE PROVISIONS OF THIS ACT; AND FOR RELATED PURPOSES.

12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

13 **SECTION 1.** The Legislature finds that:

14 The purpose of this act is to promote the public welfare by
 15 creating a comprehensive legal framework within which pet
 16 insurance may be sold in this state. These provisions shall apply
 17 to pet insurance policies that are issued to any resident of this
 18 state and that are sold, solicited, negotiated or offered in this
 19 state and policies or certificates that are delivered or issued
 20 for delivery in this state. All other applicable provisions of
 21 this state's insurance laws shall continue to apply to pet
 22 insurance.



23 **SECTION 2. Definitions.** For purposes of this act, the
24 following terms shall have the meanings ascribed herein:

25 (a) "Chronic condition" means a condition that can be
26 treated or managed, but not cured.

27 (b) "Congenital anomaly or disorder" means a condition
28 that is present from birth, whether inherited or caused by the
29 environment, which may cause or contribute to illness or disease.

30 (c) "Hereditary disorder" means an abnormality that is
31 genetically transmitted from parent to offspring and may cause
32 illness or disease.

33 (d) "Pet insurance" means a property insurance policy
34 that provides coverage for accidents and illnesses of pets.

35 (e) "Preexisting condition" means any condition for
36 which any of the following are true prior to the effective date of
37 a pet insurance policy or during any waiting period:

38 (i) A veterinarian-provided medical advice;

39 (ii) The pet received previous treatment; or

40 (iii) Based on information from verifiable
41 sources, the pet had signs or symptoms directly related to the
42 condition for which a claim is being made.

43 A condition for which coverage is afforded on a policy cannot
44 be considered a preexisting condition on any renewal of the
45 policy.

46 (f) "Renewal" means to issue and deliver at the end of
47 an insurance policy period a policy which supersedes a policy



48 previously issued and delivered by the same pet insurer or
49 affiliated pet insurer and which provides types and limits of
50 coverage substantially similar to those contained in the policy
51 being superseded.

52 (g) "Wellness program" means a subscription or
53 reimbursement-based program that is separate from an insurance
54 policy that provides goods and services to promote the general
55 health, safety, or well-being of the pet. Any wellness program
56 that meets the definition of insurance as provided in Section
57 83-5-5, shall be considered insurance and shall be subject to the
58 insurance code. This definition is not intended to classify a
59 contract directly between a service provider and a pet owner that
60 only involves the two (2) parties as being "the business of
61 insurance," unless other indications of insurance also exist.

62 **SECTION 3. Disclosures.** A pet insurer transacting pet
63 insurance shall disclose, at a minimum, the following to
64 consumers:

65 (a) If the policy excludes coverage due to any of the
66 following:

- 67 (i) A preexisting condition;
68 (ii) A hereditary disorder;
69 (iii) A congenital anomaly or disorder; or
70 (iv) A chronic condition;



71 (b) If the policy includes any other exclusions, the
72 following statement: "Other exclusions may apply. Please refer to
73 the exclusions section of the policy for more information";

74 (c) Whether any policy provision that limits coverage
75 through a waiting or affiliation period, a deductible, coinsurance
76 or an annual or lifetime policy limit;

77 (d) Whether the pet insurer reduces coverage or
78 increases premiums based on the insured's claim history, the age
79 of the covered pet or a change in the geographic location of the
80 insured; and

81 (e) If the underwriting company differs from the brand
82 name used to market and sell the product.

83 **SECTION 4. Insurance producer training.** (1) Any person
84 licensed in a major line of authority and appointed by a pet
85 insurer may be authorized to sell, solicit or negotiate a pet
86 insurance product.

87 (2) The commissioner may establish training requirements for
88 insurance producers selling pet insurance to ensure that producers
89 have been appropriately trained on the coverages and conditions of
90 its pet insurance products.

91 (3) The satisfaction of the training requirements of another
92 state that the commissioner determines are substantially similar
93 to the provisions established under subsection (2) of this section
94 shall be deemed to satisfy the training requirement provisions of
95 this state.



96 **SECTION 5.** The commissioner may issue rules and regulations
97 to implement and administer the provisions of this act, including,
98 but not limited to, rules and regulations establishing (a) policy
99 disclosures; (b) policy conditions; (c) sales practices for
100 selling wellness programs, and (d) penalties for violations of any
101 law or regulations regarding the sale of pet insurance.

102 **SECTION 6.** This act shall take effect and be in force from
103 and after July 1, 2023.

