

2023 Regular Session

HOUSE BILL NO. 579

BY REPRESENTATIVES DUBUISSON AND KNOX

1 AN ACT

2 To amend and reenact the heading of Subpart G of Part IV of Chapter 4 of Title 22 of the  
3 Louisiana Revised Statutes of 1950 and to enact R.S. 22:1371 through 1375, relative  
4 to pet insurance; to provide for definitions; to provide for disclosures; to provide for  
5 policy conditions; to provide for wellness program sales practices; to provide for  
6 producer training; to provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. The heading of Subpart G of Part IV of Chapter 4 of Title 22 of the  
9 Louisiana Revised Statutes of 1950 is hereby amended and reenacted and R.S. 22:1371  
10 through 1375 are hereby enacted to read as follows:

11 SUBPART G. ~~CROP AND LIVESTOCK~~ PET INSURANCE

12 §1371. Definitions

13 A. If a pet insurer uses any of the terms defined in this Section in a policy  
14 of pet insurance, the pet insurer shall use the definitions of those terms as provided  
15 in this Section and include the definitions in Subsection C of this Section in the  
16 policy. The pet insurer shall also make the definitions available through a link on  
17 the main page of the pet insurer's website or the pet insurer's program administrator's  
18 website.

19 B. Nothing in this Section prohibits or limits the types of exclusions pet  
20 insurers may use in their policies, nor requires pet insurers to utilize any of the  
21 limitations or exclusions defined in this Section.

22 C. For the purposes of this Subpart, the following definitions apply:

23 (1) "Chronic condition" means a condition that can be treated or managed,  
24 but not cured.

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

4                   (3) "Hereditary disorder" means an abnormality that is genetically  
5                   transmitted from parent to offspring that may cause illness or disease.

6                   (4)(a) "Orthopedic" means conditions affecting the bones, skeletal muscle,  
7                   cartilage, tendons, ligaments, and joints.

8                   (b) Orthopedic conditions include but are not limited to elbow dysplasia, hip  
9                   dysplasia, intervertebral disc degeneration, patellar luxation, and ruptured cranial  
10                  cruciate ligaments.

11                  (c) Orthopedic conditions do not include cancers or metabolic, hemopoietic,  
12                  or autoimmune diseases.

13                  (5) "Pet insurance" means a property insurance policy that provides coverage  
14                  for accidents and illnesses of pets.

15                  (6)(a) "Preexisting condition" means any condition for which any of the  
16                  following are true prior to the effective date of a pet insurance policy or during any  
17                  waiting period:

18                    (i) A veterinarian-provided medical advice.

19                    (ii) The pet received previous treatment.

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

22                    (b) A condition for which coverage is afforded on a policy shall not be  
23                    considered a preexisting condition on any renewal of the policy.

24                    (7) "Renewal" means to issue and deliver at the end of an insurance policy  
25                    period a policy which supersedes a policy previously issued and delivered by the  
26                    same pet insurer or affiliated pet insurer, which provides types and limits of coverage  
27                    substantially similar to those contained in the policy being superseded.

28                    (8) "Veterinarian" means an individual who holds a valid license to practice  
29                    veterinary medicine from the appropriate licensing entity in the jurisdiction in which  
30                    he practices.

1           (9) "Veterinary expenses" means the costs associated with medical advice,  
2           diagnosis, care, or treatment provided by a veterinarian, including but not limited to  
3           the cost of drugs prescribed by a veterinarian.

4           (10) "Waiting period" means the period of time specified in a pet insurance  
5           policy that is required to transpire before some or all of the coverage in the policy  
6           can begin.

7           (11)(a) "Wellness program" means a subscription or reimbursement based  
8           program that is separate from an insurance policy and provides goods and services  
9           to promote the general health, safety, or wellbeing of a pet.

10           (b) If a wellness program constitutes a contract whereby one undertakes to  
11           indemnify another or pay a specified amount upon determinable contingencies, it is  
12           transacting in the business of insurance and is subject to the provisions of this Title.

13           (c) The definition provided in this Paragraph shall not be interpreted to  
14           classify a contract directly between a service provider and a pet owner, that only  
15           involves the two parties, as being the business of insurance, unless other indications  
16           of insurance also exist.

17           §1372. Disclosures

18           A. A pet insurer transacting pet insurance shall make all of the following  
19           disclosures to consumers:

20           (1) Whether the policy excludes coverage due to any of the following:

21           (a) A preexisting condition.

22           (b) A hereditary disorder.

23           (c) A congenital anomaly or disorder.

24           (d) A chronic condition.

25           (2) If the policy includes any exclusions other than those in Paragraph (1) of  
26           this Subsection, the following statement shall be included in the policy: "Other  
27           exclusions may apply. Please refer to the exclusions section of the policy for more  
28           information."

29           (3) Whether any policy provision limits coverage through a waiting or  
30           affiliation period, a deductible, coinsurance, or an annual or lifetime policy limit.

1           (4) Whether the pet insurer reduces coverage or increases premiums based  
2           on the insured's claim history, the age of the covered pet, or a change in the  
3           geographic location of the insured.

4           (5) Whether the underwriting company differs from the brand name used to  
5           market and sell the product.

6           B.(1) Unless the insured has filed a claim under the pet insurance policy, a  
7           pet insurance applicant shall have the right to examine and return the policy,  
8           certificate, or endorsement to the company or an agent or insurance producer of the  
9           company within fifteen days of receipt and the right to have the premium refunded  
10          if, after examination of the policy, certificate, or endorsement, the applicant is not  
11          satisfied for any reason.

12          (2) A pet insurer shall include the following statement or substantially  
13          similar language on the first page of a policy, certificate, or endorsement, or attached  
14          thereto, with specific instructions for a policyholder to return such policy, certificate,  
15          or endorsement:

16          "You have fifteen days from the day you receive this policy, certificate, or  
17          endorsement to review it and return it to the company if you decide not to keep it.  
18          You are not required to tell the company why you are returning it. If you decide not  
19          to keep it, simply return it to the company at its administrative office or you may  
20          return it to the agent or insurance producer that you bought it from, if you have not  
21          filed a claim. You must return it within fifteen days of the day you first received it,  
22          if you do not want to keep it. The company shall refund the full amount of any  
23          premium paid within thirty days after it receives the returned policy, certificate, or  
24          endorsement. The premium refund shall be sent directly to the person who paid it.  
25          If returned within fifteen days of the day first received, the policy, certificate, or  
26          endorsement will be void as if it had never been issued."

27          C. A pet insurer shall disclose a summary description of the basis or formula  
28          utilized to determine claim payments under the pet insurance policy, prior to policy  
29          issuance and through a link on the pet insurer's website main page or the pet insurer's  
30          program administrator's website main page.

1           D. A pet insurer that uses a benefit schedule to determine claim payments  
2           under a pet insurance policy shall do both of the following:

3                   (1) Disclose the applicable benefit schedule in the policy.

4                   (2) Disclose all benefit schedules used by the pet insurer under its pet  
5           insurance policies through a link on the pet insurer's website main page or the pet  
6           insurer's program administrator's website main page.

7           E. A pet insurer that determines claim payments under a pet insurance policy  
8           based on usual and customary fees, or any other reimbursement limitation based on  
9           prevailing veterinary service provider charges, shall do both of the following:

10                   (1) Include a usual and customary fee limitation provision in the policy that  
11           describes the pet insurer's methodology for determining usual and customary fees  
12           and an explanation as to how the methodology is applied in calculating claim  
13           payments.

14                   (2) Disclose the pet insurer's methodology for determining usual and  
15           customary fees through a link on the pet insurer's website main page or the pet  
16           insurer's program administrator's website main page.

17           F. If a medical examination by a licensed veterinarian is required to  
18           effectuate coverage, the pet insurer shall disclose the required aspects of the  
19           examination prior to purchase and disclose that examination documentation may  
20           result in a preexisting condition exclusion.

21           G. The pet insurer shall disclose to consumers the waiting periods and  
22           applicable requirements prior to a consumer's purchase of a policy.

23           H. The pet insurer shall include in pet insurance policies a summary of all  
24           disclosures required in Subsections A through G of this Section in a separate  
25           document titled "Insurer Disclosure of Important Policy Provisions."

26           I. The pet insurer shall provide a copy of the "Insurer Disclosure of  
27           Important Policy Provisions" document provided for in Subsection H of this Section  
28           through a link on the pet insurer's website main page or the pet insurer's program  
29           administrator's website main page.

1           J. Upon issuance or delivery of a new pet insurance policy, the pet insurer  
2           shall provide the policyholder with a copy of the "Insurer Disclosure of Important  
3           Policy Provisions" document provided for in Subsection H of this Section in at least  
4           twelve-point type.

5           K. Upon issuance or delivery of a pet insurance policy to a policyholder, the  
6           pet insurer shall include a written disclosure with the following information, printed  
7           in twelve-point boldface type:

8                   (1) The department's mailing address, toll-free telephone number, and  
9                   website address.

10                   (2) The address and customer service telephone number of the pet insurer or  
11                   the agent or broker of record.

12                   (3) A statement advising the policyholder to contact the broker or agent for  
13                   assistance if the policy was issued or delivered by an agent or broker.

14           L. The disclosures required pursuant to this Section shall be in addition to  
15           any other disclosures required by law, rule, or regulation.

16           §1373. Policy conditions

17                   A. A pet insurer may issue policies that exclude coverage based on one or  
18                   more preexisting conditions, if appropriate disclosures are provided to the  
19                   policyholder. The pet insurer has the burden of proving that a preexisting condition  
20                   exclusion applies to the condition for which a claim is being made.

21                   B.(1) A pet insurer may issue policies that impose waiting periods upon  
22                   effectuation of the policy, not to exceed thirty days, for illnesses or orthopedic  
23                   conditions not resulting from an accident. Waiting periods for accidents are  
24                   prohibited.

25                   (2) A pet insurer utilizing a waiting period in compliance with this  
26                   Subsection shall include a provision in the policy that allows the waiting period to  
27                   be waived upon completion of a medical examination. A pet insurer may require the  
28                   examination to be conducted by a licensed veterinarian after the purchase of the  
29                   policy.

1                   (3) A medical examination performed pursuant to Paragraph (2) of this  
 2                   Subsection shall be paid for by the policyholder, unless the policy provides that the  
 3                   pet insurer will pay for the examination.

4                   (4) A pet insurer may specify elements to be included as part of the  
 5                   examination and require documentation thereof, if the specifications do not  
 6                   unreasonably restrict a policyholder's option to have the waiting periods waived as  
 7                   provided in Paragraph (2) of this Subsection.

8                   (5) Waiting periods and the requirements applicable thereto shall be  
 9                   disclosed to consumers prior to the policy purchase.

10                  (6) Waiting periods shall not be applied to renewals of existing coverage.

11                  C. A pet insurer shall not require a veterinary examination of a covered pet  
 12                  for a policyholder to have a policy renewed.

13                  D. If a pet insurer includes any prescriptive, wellness, or noninsurance  
 14                  benefits in the policy form, such provisions shall be made part of the policy contract  
 15                  and shall conform to all applicable provisions of this Title and department rules and  
 16                  regulations.

17                  E. Eligibility to purchase a pet insurance policy shall not be based on  
 18                  participation, or lack of participation, in a separate wellness program.

19                  §1374. Sales practices

20                  A. Pet insurers and producers shall not market a wellness program as pet  
 21                  insurance.

22                  B. If a wellness program is sold by a pet insurer or producer, all of the  
 23                  following apply:

24                    (1) The purchase of the wellness program shall not be a requirement to the  
 25                    purchase of pet insurance.

26                    (2) The costs of the wellness program shall be separate and identifiable from  
 27                    any pet insurance policy sold by a pet insurer or producer.

28                    (3) The terms and conditions for the wellness program shall be separate from  
 29                    any pet insurance policy sold by a pet insurer or producer.

1                   (4) The products and coverages available through the wellness program shall  
 2                   not duplicate products or coverages available through the pet insurance policy.

3                   (5) The advertising of the wellness program shall not be misleading and shall  
 4                   be in accordance with the provisions of this Section.

5                   (6) The pet insurer or producer shall make all of the following disclosures  
 6                   to consumers, printed in twelve-point boldface type:

7                   (a) Wellness programs are not insurance.

8                   (b) The address and customer service telephone number of the pet insurer or  
 9                   producer or broker of record.

10                  (c) The department's mailing address, toll-free telephone number, and  
 11                  website address.

12                  C. Coverages included in the pet insurance policy contract described as  
 13                  "wellness" benefits are insurance.

14                  §1375. Producer training

15                  A. An insurance producer shall not sell, solicit, or negotiate a pet insurance  
 16                  product until the producer is licensed in a major line of authority and has completed  
 17                  the required training identified in Subsection C of this Section.

18                  B. An insurer shall ensure that its producers are trained on the topics  
 19                  prescribed in Subsection C of this Section and on the coverages and conditions of its  
 20                  pet insurance products.

21                  C. The training required pursuant to this Section shall include information  
 22                  on the following topics:

23                  (1) Preexisting conditions and waiting periods.

24                  (2) The differences between pet insurance and noninsurance wellness  
 25                  programs.

26                  (3) Hereditary disorders, congenital anomalies and disorders, chronic  
 27                  conditions, and how pet insurance policies interact with those conditions and  
 28                  disorders.

29                  (4) Rating, underwriting, renewal, and other related administrative topics.



1                    D. The satisfaction of the training requirements of another state that are  
 2                    substantially similar to the provisions of Subsection C of this Section shall be  
 3                    deemed to satisfy the training requirements in this state.

4                    Section 2. This Act shall become effective January 1, 2024.

\_\_\_\_\_  
 SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
 PRESIDENT OF THE SENATE

\_\_\_\_\_  
 GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_