

## RÉSUMÉ DIGEST

ACT 94 (HB 579)

2023 Regular Session

DuBuisson

New law defines "chronic condition", "congenital anomaly or disorder", "hereditary disorder", "orthopedic", "pet insurance", "preexisting condition", "renewal", "veterinarian", "veterinary expenses", "waiting period", and "wellness program".

New law requires a pet insurer transacting pet insurance to disclose all of the following to policyholders:

- (1) Whether the policy excludes coverage due to certain health conditions provided in new law.
- (2) Whether the policy includes any exclusions other than those provided for in new law and if so, the pet insurer is required to include the statement provided for in new law.
- (3) Whether any policy provision limits coverage through a waiting or affiliation period, a deductible, coinsurance, or an annual or lifetime policy limit.
- (4) Whether the pet insurer reduces coverage or increases premiums based on the policyholder's claim history, the age of the covered pet, or a change in the geographic location of the policyholder.
- (5) Whether the underwriting company differs from the brand name used to market and sell the pet insurance.

New law provides that unless the policyholder has filed a claim under the pet insurance policy, a pet insurance applicant has the right to examine and return the policy, certificate, or endorsement to the company, agent, or insurance producer of the company within 15 days of receipt for any reason, and has the right to a premium refund.

New law requires pet insurance policies, certificates, and endorsements to have a statement printed on the first page or attached thereto with specific instructions for a policyholder to return such policy, certificate, or endorsement. New law requires the statement to be substantially similar to the statement provided for in new law.

New law requires a pet insurer to disclose a summary description or formula and benefit schedule used to determine claim payments under the pet insurance policy. Further requires the pet insurer to provide the disclosure prior to the policy issuance through a link on its website main page or its program administrator's website main page.

New law requires a pet insurer that determines claim payments based on usual and customary fees, or any other reimbursement limitation based on prevailing veterinary service provider charges, to include in the policy the usual and customary fee limitation provision describing the methodology for determining usual and customary fees and an explanation of how the methodology is applied in calculating claim payments. Further requires a pet insurer to provide the methodology for determining usual and customary fees through a link on its website main page or its program administrator's website main page.

When a medical examination by a licensed veterinarian is required to effectuate coverage, prior to the policyholder's purchase of a pet insurance policy, new law requires a pet insurer to disclose the required aspects of the examination and provide notice that examination documentation may result in a preexisting condition exclusion.

New law requires a pet insurer to include in its pet insurance policies a summary of all disclosures required by new law.

New law requires the pet insurer to provide certain disclosures upon issuance or delivery of a pet insurance policy to a policyholder. Further requires the pet insurer to include a written disclosure with the following information, printed in 12-point boldface type:

- (1) The mailing address, toll-free telephone number, and website address of the Dept. of Insurance.

- (2) The address and customer service telephone number of the pet insurer or the agent or broker of record.
- (3) A statement advising the policyholder to contact the broker or agent for assistance if the policy was issued or delivered by an agent or broker.

New law authorizes a pet insurer to issue policies that exclude coverage based on one or more preexisting conditions when appropriate disclosures are provided to the policyholder.

New law places the burden on the pet insurer to prove that a preexisting condition exclusion applies to the condition for which a claim is being made.

New law prohibits a pet insurer from requiring a veterinary examination of a covered pet for policy renewals.

New law requires a pet insurer to include any prescriptive, wellness, or noninsurance benefits as part of the policy contract if the pet insurer includes such benefits in the policy. Further requires all such benefits to conform to the La. Insurance Code and applicable administrative rules.

New law prohibits a pet insurer from determining a policyholder's eligibility for purchasing a pet insurance policy based on participation in a separate wellness program or lack thereof.

New law prohibits pet insurers and producers from marketing a wellness program as pet insurance and provides a list of requirements if a pet insurer or producer sells a wellness program.

New law prohibits products and coverages available through wellness programs from being duplicative of products or coverages available through pet insurance policies. Further prohibits misleading advertisement of wellness programs.

New law requires pet insurers and producers to disclose that separate wellness programs are not insurance. Further provides that coverages included in a pet insurance policy contract described as "wellness" benefits are insurance.

New law prohibits an insurance producer from selling, soliciting, or negotiating a pet insurance product until the producer is licensed in a major line of authority and has completed the training required by new law. Further requires insurers to ensure that its producers are trained on the coverages and conditions of its pet insurance products.

New law provides that if the training requirements of another state are substantially similar to the requirements in new law, those requirements are deemed to satisfy the training requirements in this state.

Effective January 1, 2024.

(Amends the heading of Subpart G of Part IV of Chapter 4 of Title 22 of the Louisiana Revised Statutes of 1950; Adds R.S. 22:1371-1375)