

ACT No. 94

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: _____