

FINAL BILL REPORT

SB 5319

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Synopsis as Enacted

Brief Description: Concerning pet insurance.

Sponsors: Senators Stanford, Dozier, Mullet and Wilson, C..

Senate Committee on Business, Financial Services, Gaming & Trade
House Committee on Consumer Protection & Business

Background: Pet insurance is a property insurance policy that provides coverage for accidents and illnesses of pets. Premiums paid depend on factors related to the pet being insured. These factors include species of animal, breed, gender, age, location, and the coverages and deductible chosen. Most pet insurance policies are reimbursement plans, which provide repayment to a person for covered expenses after they have met their deductible.

Pet wellness programs, also known as preventive plans, provide noninsurance benefits in the policy form. This is often a reimbursement for commonly needed procedures, such as vaccination and neutering.

In 2022, the National Association of Insurance Commissioners (NAIC) adopted a model act related to pet insurance. The model law addresses pet wellness programs, preexisting conditions, consumer protections, and training for insurance producers.

Washington State does not have laws and rules specific to pet insurance policies or those who sell pet insurance.

Summary: Certain requirements on insurance producers, and insurance policies related to pet insurance sold, solicited, negotiated, or offered in Washington State are established based on the NAIC's Pet Insurance Model Act.

Specific terms related to pet insurance are defined and are required to be included, if used, in pet insurance policies sold. These terms include chronic condition, congenital anomaly,

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hereditary disorder, orthopedic, preexisting condition, renewal, veterinary expenses, waiting period, and wellness program.

Pet insurers shall disclose certain information on exclusions, limitations, demographic factors effecting premium cost, and whether the policy underwriters differ from the company selling the policy.

Insurance applicants have 15 days to examine and return the policy, certificate, or endorsement, to qualify for a refund.

Exclusions for preexisting conditions may be issued in a policy, with burden of proof on the insurer to show the preexisting condition exclusion applies. Initial pet insurance policies covering illnesses or orthopedic conditions may have a 30-day waiting period before enactment, which may be waived after a veterinary examination. A waiting period for accident coverage is prohibited. Renewals cannot be contingent on a veterinary examination.

Certain requirements are established regarding the marketing of wellness program by insurers and insurance producers. Participating in a wellness program cannot be a requirement for buying pet insurance.

All insurance producers selling, soliciting, or negotiating a pet insurance product in the state must be appropriately licensed and trained.

Votes on Final Passage:

Senate	48	0
House	96	0

Effective: January 1, 2024