

Chapter 48.205 RCW
PET INSURANCE

Sections

48.205.010	Application.
48.205.020	Definitions.
48.205.030	Definitions—Usage.
48.205.040	Policy disclosures—Returns.
48.205.050	Exclusions—Waiting periods—Requirements.
48.205.060	Wellness programs—Marketing—Requirements.
48.205.070	Insurance producers—Training.
48.205.080	Rules.

RCW 48.205.010 Application. (1) The requirements of this chapter shall apply to pet insurance policies that are issued to any resident of this state, are sold, solicited, negotiated, or offered in this state, and policies or certificates that are delivered or issued for delivery in this state.

(2) All other applicable provisions of this state's insurance laws continue to apply to pet insurance except that the specific provisions of this chapter shall supersede any general provisions of law that would otherwise be applicable to pet insurance. [2023 c 42 s 1.]

Effective date—2023 c 42: "This act takes effect January 1, 2024." [2023 c 42 s 10.]

RCW 48.205.020 Definitions. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

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

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

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

(4) "Orthopedic" refers to conditions affecting the bones, skeletal muscle, cartilage, tendons, ligaments, and joints. "Orthopedic" includes, but is not limited to, elbow dysplasia, hip dysplasia, intervertebral disc degeneration, patellar luxation, and ruptured cranial cruciate ligaments. It does not include cancers or metabolic, hemopoietic, or autoimmune diseases.

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

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

(i) A veterinarian provided medical advice;

(ii) The pet received previous treatment; or

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

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

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

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

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

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

(11) "Wellness program" means a subscription or reimbursement-based program that is separate from an insurance policy that provides goods and services to promote the general health, safety, or well-being of the pet. [2023 c 42 s 2.]

Effective date—2023 c 42: See note following RCW 48.205.010.

RCW 48.205.030 Definitions—Usage. (1) If a pet insurer uses any of the terms in RCW 48.205.020 in a policy of pet insurance, the pet insurer shall use the definition of each of those terms as set forth in RCW 48.205.020 and include the definition of the terms in the policy. The pet insurer shall also make the definition available through a clear and conspicuous link on the main page of either the pet insurer's website or the pet insurer's program administrator's website, or both.

(2) Nothing in RCW 48.205.020 shall in any way prohibit or limit the types of exclusions pet insurers may use in their policies or require pet insurers to have any of the limitations or exclusions in this chapter. [2023 c 42 s 3.]

Effective date—2023 c 42: See note following RCW 48.205.010.

RCW 48.205.040 Policy disclosures—Returns. (1) A pet insurer transacting pet insurance shall disclose the following to consumers:

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

(i) A preexisting condition;

(ii) A hereditary disorder;

(iii) Either a congenital anomaly or a congenital disorder, or both; or

(iv) A chronic condition;

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

(c) Any policy provision that limits coverage through a waiting or affiliation period, a deductible, coinsurance, or an annual or lifetime policy limit;

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

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

(2) (a) Unless the insured has filed a claim under the pet insurance policy, pet insurance applicants shall have the right to examine and return the policy, certificate, or endorsement to the company or an insurance producer appointed by the company within 15 days of its receipt and to have the premium refunded if, after examination of the policy, certificate, or endorsement, the applicant is not satisfied for any reason.

(b) Pet insurance policies, certificates, and endorsements must have a notice prominently printed on the first page or attached thereto including specific instructions to accomplish a return. The following free look statement or language substantially similar must be included:

"You have 15 days from the day you receive this policy, certificate, or endorsement to review it and return it to the company if you decide not to keep it. You do not have to tell the company why you are returning it. If you decide not to keep it, simply return it to the company at its administrative office or you may return it to the insurance producer that you bought it from as long as you have not filed a claim. You must return it within 15 days of the day you first received it. The company will refund the full amount of any premium paid within 30 days after it receives the returned policy, certificate, or endorsement. The premium refund will be sent directly to the person who paid it. The policy, certificate, or endorsement will be void as if it had never been issued."

(3) A pet insurer shall clearly disclose a summary description of the basis or formula on which the pet insurer determines claim payments under a pet insurance policy within the policy prior to policy issuance and through a clear and conspicuous link on the main page of either the pet insurer's website or pet insurer's program administrator's website, or both.

(4) A pet insurer that uses a benefit schedule to determine claim payment under a pet insurance policy shall:

(a) Clearly disclose the applicable benefit schedule in the policy; and

(b) Disclose all benefit schedules used by the pet insurer under its pet insurance policies through a clear and conspicuous link on the main page of either the pet insurer's website or pet insurer's program administrator's website, or both.

(5) A pet insurer that determines claim payments under a pet insurance policy based on usual and customary fees or any other reimbursement limitation based on prevailing veterinary service provider charges shall:

(a) Include a usual and customary fee limitation provision in the policy that clearly describes the pet insurer's basis for determining usual and customary fees and how that basis is applied in calculating claim payments; and

(b) Disclose the pet insurer's basis for determining usual and customary fees through a clear and conspicuous link on the main page of either the pet insurer's website or the pet insurer's program administrator's website, or both.

(6) If any medical examination by a licensed veterinarian is required to effectuate coverage, the pet insurer shall clearly and

conspicuously disclose the required aspects of the examination prior to purchase and disclose that examination documentation may result in a preexisting condition exclusion.

(7) The pet insurer shall disclose waiting periods and the requirements applicable to them clearly and prominently to consumers prior to the policy purchase.

(8) The pet insurer shall include a summary of all policy provisions required in this section in a separate document titled "insurer disclosure of important policy provisions."

(9) The pet insurer shall post the insurer disclosure of important policy provisions document required in subsection (8) of this section through a clear and conspicuous link on the main page of either the pet insurer's website or the pet insurer's program administrator's website, or both.

(10) In connection with the issuance of a new pet insurance policy, the pet insurer shall provide the consumer with a copy of the insurer disclosure of important policy provisions document required in subsection (8) of this section in at least 12-point type when it delivers the policy.

(11) At the time a pet insurance policy is issued or delivered to a policyholder, the pet insurer shall include a written disclosure with the following information, printed in 12-point boldface type:

(a) The address and customer service telephone number of either the pet insurer or the insurance producer of record, or both; and

(b) If the policy was issued or delivered by an insurance producer, a statement advising the policyholder to contact the insurance producer for assistance.

(12) The disclosures required in this section are in addition to any other disclosure requirements required by law or regulation.

[2023 c 42 s 4.]

Effective date—2023 c 42: See note following RCW 48.205.010.

RCW 48.205.050 Exclusions—Waiting periods—Requirements. (1) A pet insurer may issue policies that exclude coverage on the basis of one or more preexisting conditions with appropriate disclosure to the consumer. The pet insurer has the burden of proving that the preexisting condition exclusion applies to the condition for which a claim is being made.

(2) (a) A pet insurer may issue policies that impose waiting periods upon effectuation of the policy that do not exceed 30 days for illnesses or orthopedic conditions not resulting from an accident. Waiting periods for accidents are prohibited. Waiting periods may not be applied to renewals of existing coverage.

(b) A pet insurer utilizing a waiting period permitted in (a) of this subsection shall include a provision in its policy that allows the waiting periods to be waived upon completion of a medical examination. Pet insurers may require the examination to be conducted by a licensed veterinarian after the purchase of the policy.

(c) A medical examination under (b) of this subsection must be paid for by the policyholder, unless the policy specifies that the pet insurer will pay for the examination.

(d) A pet insurer can specify elements to be included as part of the examination and require documentation thereof, provided the

specifications do not unreasonably restrict a consumer's ability to waive the waiting periods listed in (a) of this subsection.

(3) A pet insurer may not require a veterinary examination of the covered pet for the insured to have their policy renewed.

(4) If a pet insurer includes any prescriptive, wellness, or noninsurance benefits in the policy form, then it is made part of the policy contract and must follow all applicable laws and regulations in the insurance code.

(5) An insured's eligibility to purchase a pet insurance policy must not be based on participation, or lack of participation, in a separate wellness program. [2023 c 42 s 5.]

Effective date—2023 c 42: See note following RCW 48.205.010.

RCW 48.205.060 Wellness programs—Marketing—Requirements. (1) A pet insurer and insurance producer may not:

(a) Market a wellness program as pet insurance; or

(b) Market a wellness program during the sale, solicitation, or negotiation of pet insurance.

(2) If a wellness program is sold by either a pet insurer or an insurance producer, or both:

(a) The purchase of the wellness program may not be a requirement to the purchase of pet insurance;

(b) The costs of the wellness program must be separate and identifiable from any pet insurance policy sold by either a pet insurer, an insurance producer, or both;

(c) The terms and conditions for the wellness program must be separate from any pet insurance policy sold by either a pet insurer, an insurance producer, or both;

(d) The products or coverages available through the wellness program may not duplicate products or coverages available through the pet insurance policy;

(e) The advertising of the wellness program may not be misleading and must be in accordance with this section;

(f) Either a pet insurer or an insurance producer, or both, must clearly disclose the following to consumers, printed in 12-point boldface type:

(i) That wellness programs are not insurance; and

(ii) The address and customer service telephone number of either the pet insurer or the insurance producer of record, or both.

(3) Coverages included in the pet insurance policy contract described as "wellness" benefits are insurance.

(4) If any wellness program undertakes to indemnify another or pay a specified amount upon determinable contingencies, it is transacting in the business of insurance and is subject to the insurance code. This definition is not intended to classify a contract directly between a service provider and a pet owner that only involves the two parties as being the business of insurance unless other indications of insurance also exist. [2023 c 42 s 6.]

Effective date—2023 c 42: See note following RCW 48.205.010.

RCW 48.205.070 Insurance producers—Training. (1) An insurance producer may not sell, solicit, or negotiate a pet insurance product

until after the producer is appropriately licensed and has completed the required training identified in subsection (3) of this section.

(2) An insurer shall ensure that its producers are trained under subsection (3) of this section and that its producers have been appropriately trained on the coverages and conditions of its pet insurance products.

(3) The training required under this subsection must include information on the following topics:

(a) Preexisting conditions and waiting periods;

(b) The differences between pet insurance and noninsurance wellness programs;

(c) Hereditary disorders, congenital anomalies, congenital disorders, chronic conditions, and how pet insurance policies interact with those conditions or disorders; and

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

(4) The satisfaction of the training requirements of another state that are substantially similar to the provisions of subsection (3) of this section shall satisfy the training requirements in this state. [2023 c 42 s 7.]

Effective date—2023 c 42: See note following RCW 48.205.010.

RCW 48.205.080 Rules. The insurance commissioner may adopt rules as necessary to implement and administer this chapter. [2023 c 42 s 8.]

Effective date—2023 c 42: See note following RCW 48.205.010.