

1 A bill to be entitled
2 An act relating to pet insurance and wellness
3 programs; creating s. 627.4435, F.S.; providing a
4 short title; providing purpose and applicability;
5 providing definitions; requiring pet insurers to use
6 the definitions of the terms and include the
7 definitions in insurance policies under certain
8 circumstances; requiring pet insurers to make certain
9 disclosures to pet insurance applicants and
10 policyholders; authorizing pet insurance applicants
11 and policyholders to return insurance policies and
12 riders under certain circumstances; authorizing
13 premiums to be refunded under certain circumstances;
14 requiring pet insurance policies and riders to have a
15 notice on return policies; requiring pet insurers to
16 post a summary of certain provisions on a website and
17 to provide new policyholders with a copy of the
18 summary; providing that certain required disclosures
19 are in addition to disclosures required by law or
20 regulation; authorizing exclusions, waiting periods,
21 and medical examinations provisions in pet insurance
22 policies; providing requirements for such provisions;
23 requiring that certain benefits comply with certain
24 provisions of the Florida Insurance Code; prohibiting
25 insurance applicants' eligibility from being based on

26 participation or lack of participation in wellness
 27 programs; providing sales practices for wellness
 28 programs; providing that coverages in pet insurance
 29 policies described as wellness benefits are insurance;
 30 prohibiting insurance agents and brokers from
 31 transacting in pet insurance without license and
 32 specified training; providing requirements for pet
 33 insurance training for insurance agents and brokers;
 34 providing that similar pet insurance training in other
 35 states satisfy the training requirements in this
 36 state; providing penalties; providing that certain
 37 insurance laws apply to pet insurance; providing that
 38 specific provisions of law supersede general
 39 applicable provisions of law; providing construction;
 40 providing rulemaking authority; providing an effective
 41 date.

42

43 Be It Enacted by the Legislature of the State of Florida:

44

45 Section 1. Section 627.4435, Florida Statutes, is created
 46 to read:

47 627.4435 Pet insurance; noninsurance wellness programs.-

48 (1) SHORT TITLE.-This section may be cited as the "Pet
 49 Insurance Act."

50 (2) PURPOSE AND SCOPE.-

51 (a) The purpose of this section is to promote the public
52 welfare by creating a comprehensive legal framework within which
53 pet insurance may be sold in the state.

54 (b) This section applies to pet insurance policies that
55 are:

56 1. Issued to a resident of the state;

57 2. Sold, solicited, negotiated, or offered in the state;

58 or

59 3. Delivered or issued for delivery in the state.

60 (3) DEFINITIONS.—

61 (a) As used in this section, the term:

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

64 2. "Congenital anomaly or disorder" means a condition that
65 is present from birth, whether inherited or caused by the
66 environment, and that may cause or contribute to illness or
67 disease.

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

71 4. "Orthopedic" refers to a condition that affects the
72 bones, skeletal muscle, cartilage, tendons, ligaments, or
73 joints. The condition includes, but is not limited to, elbow
74 dysplasia, hip dysplasia, intervertebral disc degeneration,
75 patellar luxation, and cranial cruciate ligament rupture. The

76 condition does not include any cancer or metabolic,
 77 hematopoietic, or autoimmune disease.

78 5. "Pet insurance" means an insurance that provides
 79 coverage for accidents and for illnesses or diseases of pets.
 80 Such insurance reimburses a policyholder for expenses associated
 81 with medical advice, diagnosis, care, or treatment provided by a
 82 veterinarian, including, but not limited to, the cost of drugs
 83 prescribed by the veterinarian.

84 6. "Pet insurance policy" or "policy" includes pet
 85 insurance certificate.

86 7. "Preexisting condition" means a condition for which any
 87 of the following are true before the effective date or during a
 88 waiting period of a pet insurance policy:

- 89 a. A veterinarian provided medical advice.
- 90 b. The pet received previous treatment.
- 91 c. Based on information from verifiable sources, the pet
 92 had signs or symptoms directly related to the condition for
 93 which a claim is being made.

94
 95 A condition for which coverage is afforded on a policy is not
 96 deemed to be a preexisting condition on any renewal of the
 97 policy.

98 8. "Renewal" means the issuance and delivery at the end of
 99 an insurance policy period a policy that supersedes the policy
 100 previously issued and delivered by the same pet insurer or

101 affiliated pet insurer and that provides types and limits of
102 coverage substantially similar to those contained in the policy
103 being superseded.

104 9. "Veterinarian" means an individual who holds a valid
105 license to practice veterinary medicine from the appropriate
106 licensing entity in the jurisdiction in which he or she
107 practices.

108 10. "Waiting period" means the period specified in a pet
109 insurance policy which is required to transpire before some or
110 all of the coverage in the policy may begin. This period may not
111 be applied to renewals of existing coverage.

112 11. "Wellness program" means a subscription or
113 reimbursement-based program that is separate from an insurance
114 policy and that provides goods and services to promote the
115 general health, safety, or well-being of the pet. If the
116 subscription or program includes language such as "undertakes to
117 indemnify another," "pays a specified amount upon determinable
118 contingencies," or "provides coverage for a fortuitous event,"
119 the subscription or program is transacting in the business of
120 insurance and is subject to the Florida Insurance Code. This
121 definition is not intended to classify a contract directly
122 between a service provider and a pet owner which involves only
123 the two parties as being the business of insurance, unless other
124 indications of insurance also exist.

125 (b) If a pet insurer uses any of the terms defined in

126 paragraph (a) in a pet insurance policy, the pet insurer must
127 use the definition of each term as provided in paragraph (a) and
128 include the definition of each term in the policy. The pet
129 insurer must also make the definition available through a clear
130 and conspicuous link on the main page of the website of the pet
131 insurer or the pet insurer's program administrator.

132 (4) DISCLOSURES.—

133 (a) A pet insurer transacting pet insurance shall disclose
134 the following to pet insurance applicants and policyholders:

135 1. A coverage exclusion due to any of the following:

136 a. A chronic condition;

137 b. A congenital anomaly or disorder;

138 c. A hereditary disorder; or

139 d. A preexisting condition.

140 2. Any other exclusions in the following statement: "Other
141 exclusions may apply. Please refer to the exclusions section of
142 the policy for more information."

143 3. A policy provision that limits coverage through a
144 waiting period, a deductible, a coinsurance, or an annual or
145 lifetime policy limit.

146 4. A reduction of coverage or an increase in premium based
147 on the policyholder's claim history, the age of the covered pet,
148 or a change in the geographic location of the policyholder.

149 5. Any difference between the underwriting company and the
150 brand name used to market and sell the pet insurance.

151 (b)1. Unless the policyholder has filed a claim under the
152 pet insurance policy, a pet insurance applicant or policyholder
153 may examine and return the policy or rider to the pet insurer or
154 pet insurance agent or broker within 30 days after the applicant
155 or policyholder obtains the receipt and have the premium
156 refunded if, after examining the policy or rider, the applicant
157 or policyholder is not satisfied for any reason.

158 2. A pet insurance policy and rider must have a notice
159 prominently printed on or attached to the first page which
160 includes specific instructions to accomplish a return, in type
161 at least as large as any type appearing on the policy or rider
162 contract, in substantially the following language:

163
164 You have 30 days from the day you receive this policy,
165 certificate, or rider to review it and return it to
166 the company if you decide not to keep it. You do not
167 have to tell the company why you are returning it. If
168 you decide not to keep it, simply return it to the
169 company at its administrative office or you may return
170 it to the insurance agent or broker that you bought it
171 from as long as you have not filed a claim. You must
172 return it within 30 days after the day you first
173 received it. The company will refund the full amount
174 of any premium paid within 30 days after it receives
175 the returned policy, certificate, or rider. The

176 premium refund will be sent directly to the person who
177 paid it. The policy, certificate, or rider will be
178 void as if it had never been issued.

179
180 (c) A pet insurer shall clearly disclose in a summary
181 description in the pet insurance policy the basis or formula on
182 which the pet insurer determines claim payments. This disclosure
183 must be provided before the policy issuance and through a clear
184 and conspicuous link on the main page of the website of the pet
185 insurer or the pet insurer's program administrator.

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

188 1. Clearly disclose the applicable benefit schedule in the
189 policy; and

190 2. Disclose all benefit schedules used by the pet insurer
191 under its pet insurance policies through a clear and conspicuous
192 link on the main page of the website of the pet insurer or the
193 pet insurer's program administrator.

194 (e) A pet insurer that determines claim payments under a
195 pet insurance policy based on usual and customary fees, or any
196 other reimbursement limitation based on prevailing veterinary
197 service provider charges, shall do the following:

198 1. Include a usual and customary fee limitation provision
199 in the policy which clearly describes the pet insurer's basis
200 for determining usual and customary fees and how that basis is

201 applied in calculating claim payments; and

202 2. Disclose the pet insurer's basis for determining usual
203 and customary fees through a clear and conspicuous link on the
204 main page of the website of the pet insurer or the pet insurer's
205 program administrator.

206 (f) If any medical examination by a licensed veterinarian
207 is required to bring about coverage, the pet insurer shall
208 clearly and conspicuously disclose the required aspects of the
209 examination before a policy purchase and disclose that
210 examination documentation may result in a preexisting condition
211 exclusion.

212 (g) Waiting periods and the requirements applicable to
213 waiting periods must be clearly and prominently disclosed to
214 applicants before a policy purchase.

215 (h) The pet insurer shall make a summary of all policy
216 provisions required in paragraphs (a) through (g) in a separate
217 document titled "Insurer Disclosure of Important Policy
218 Provisions" and shall post on the main page of the website of
219 the pet insurer or the pet insurer's program administrator a
220 clear and conspicuous link to the document.

221 (i) At the time a new pet insurance policy is issued, the
222 pet insurer shall provide to the policyholder a copy of the
223 "Insurer Disclosure of Important Policy Provisions" document
224 required under paragraph (h). The document must be printed in at
225 least 12-point type.

226 (j) At the time a pet insurance policy is issued or
227 delivered, the pet insurer shall include a written disclosure
228 with the following information, printed in 12-point boldface
229 type:

230 1. The mailing address, toll-free telephone number, and
231 website address of the Office of Insurance Regulation.

232 2. The address and customer service telephone number of
233 the pet insurer or the agent or broker of record.

234 3. If the policy is issued or delivered by an agent or
235 broker, a statement advising the policyholder to contact the
236 agent or broker for assistance.

237 (k) The disclosures required in this subsection must be in
238 addition to any other disclosure required by law or regulation.

239 (5) POLICY CONDITIONS.—

240 (a) A pet insurer may issue a policy that excludes
241 coverage on the basis of one or more preexisting conditions with
242 appropriate disclosure to the applicant or policyholder. The pet
243 insurer has the burden of proving that the preexisting condition
244 exclusion applies to the condition for which a claim is being
245 made.

246 (b) A pet insurer may issue a policy imposing a waiting
247 period before the effective date of a new policy which does not
248 exceed 30 days for illnesses or diseases or for orthopedic
249 conditions not resulting from an accident. A waiting period for
250 accidents is prohibited.

251 1. A pet insurer issuing a policy that imposes a waiting
252 period shall include a provision in its contract which allows
253 the waiting period to be waived upon completion of a medical
254 examination. The pet insurer may require the examination to be
255 conducted by a licensed veterinarian after the purchase of the
256 policy.

257 a. A medical examination under this subparagraph shall be
258 paid for by the policyholder, unless the policy specifies that
259 the pet insurer will pay for the examination.

260 b. A pet insurer may specify elements to be included as
261 part of the examination and require documentation thereof,
262 provided that the specifications do not unreasonably restrict
263 the ability of the applicant or policyholder to waive the
264 waiting period.

265 2. A waiting period, and the requirements applicable to a
266 waiting period, must be clearly and prominently disclosed to an
267 applicant before the policy purchase.

268 (c) A pet insurer may not require a medical examination of
269 the covered pet for the policyholder to renew a policy.

270 (d) If a pet insurer includes any prescriptive, wellness,
271 or noninsurance benefit in the policy form, the benefit is made
272 part of the policy contract and must comply with all of the
273 applicable provisions of the Florida Insurance Code.

274 (e) An applicant's eligibility to purchase a pet insurance
275 policy must not be based on participation, or lack of

276 participation, in a separate wellness program.

277 (6) SALES PRACTICES FOR WELLNESS PROGRAMS.—

278 (a) A pet insurer or a pet insurance agent or broker may
 279 not market a wellness program as pet insurance.

280 (b) If a wellness program is sold by a pet insurer or a
 281 pet insurance agent or broker:

282 1. The purchase of the wellness program must not be a
 283 requirement to the purchase of pet insurance;

284 2. The costs of the wellness program must be separate and
 285 identifiable from any pet insurance policy sold by a pet insurer
 286 or a pet insurance agent or broker;

287 3. The terms and conditions for the wellness program must
 288 be separate from any pet insurance policy sold by a pet insurer
 289 or an agent or broker;

290 4. The products or coverages available through the
 291 wellness program may not duplicate the products or coverages
 292 available through the pet insurance policy;

293 5. The advertising of the wellness program must not be
 294 misleading and must be in accordance with this paragraph; and

295 6. A pet insurer or a pet insurance agent or broker shall
 296 clearly disclose the following information to applicants and
 297 policyholders, printed in 12-point boldface type:

298 a. That wellness programs are not insurance;

299 b. The address and customer service telephone number of
 300 the pet insurer or the pet insurance agent or broker of record;

301 and

302 c. The mailing address, toll-free telephone number, and
 303 website address of the Office of Insurance Regulation.

304 (c) Coverages included in the pet insurance policy
 305 contract described as wellness benefits are insurance.

306 (7) AGENT AND BROKER TRAINING.—

307 (a) An agent or broker may not sell, solicit, or negotiate
 308 a pet insurance policy until after the agent or broker is
 309 appropriately licensed and has completed the required training
 310 specified in paragraph (c).

311 (b) Pet insurers shall ensure that its agents and brokers
 312 are trained on the topics specified in paragraph (c) and that
 313 its agents and brokers have been appropriately trained on the
 314 coverages and conditions of its pet insurance products.

315 (c) The training required under this subsection must
 316 include information on all of the following topics:

317 1. Preexisting conditions and waiting periods.

318 2. The differences between pet insurance and noninsurance
 319 wellness programs.

320 3. Chronic conditions, congenital anomalies or disorders,
 321 and hereditary disorders and the way pet insurance policies
 322 interact with those conditions or disorders.

323 4. Rating, underwriting, renewal, and other related
 324 administrative topics.

325 (d) The satisfaction of the training requirements of

326 another state which are substantially similar to the provisions
 327 of paragraph (c) are deemed to satisfy the training requirements
 328 in this state.

329 (8) VIOLATIONS.—A violation of this section may subject
 330 the party committing the violation to penalties under the
 331 Florida Insurance Code.

332 (9) SUPERSEDED PROVISIONS; CONSTRUCTION.—

333 (a) All other applicable provisions of the insurance laws
 334 apply to pet insurance, except that the specific provisions of
 335 this section supersede any general provisions of law which would
 336 otherwise apply to pet insurance.

337 (b) This section does not in any way:

338 1. Prohibit or limit the types of exclusions that pet
 339 insurers may use in their policies; or

340 2. Require pet insurers to have any of the limitations or
 341 exclusions described in this section.

342 (10) RULES AND REGULATIONS.—The commission may adopt rules
 343 and regulations necessary to administer this section.

344 Section 2. This act shall take effect January 1, 2025.