

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 4942

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 12, 2023

The Assembly Financial Institutions and Insurance Committee reports favorably and with committee amendments Assembly Bill No. 4942.

As amended, this bill establishes the “Pet Insurance Act,” which creates a comprehensive legal framework within which pet insurance may be sold in the State.

Under the bill, several consumer protections related to policy renewals, waiting periods, policy limits, conditions, and benefit schedules are included, including disclosures a pet insurer transacting pet insurance must disclose to consumers, such as:

(1) if the policy excludes coverage due to:

- (a) a preexisting condition;
- (b) a hereditary disorder;
- (c) a congenital anomaly or disorder; or
- (d) a chronic condition; and

(2) if the policy includes any other exclusions, using the following statement: “Other exclusions may apply. Please refer to the exclusions section of the policy for more information.”

The bill provides limits on how insurers can deny pet insurance claims related to preexisting conditions of covered pets, and requires the insurer to prove a preexisting condition limitation applies.

The bill additionally provides requirements to insurers and insurance producers to clearly differentiate pet wellness programs from insurance policies to eliminate consumer confusion between what services are covered by insurance.

Finally, the bill provides training requirements for insurance producers to ensure that producers are appropriately prepared to present information to consumers.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) define the term “insured” to mean the owner of a pet listed within the pet insurance policy;

(2) clarify that, unless the insured has filed a claim, the insured has 15 business days, rather than 15 days, to examine and return the pet insurance policy from the date the insured received the policy;

(3) remove the prohibition on an insurance producer marketing a wellness program during the sale, solicitation, or negotiation of a pet insurance policy; and

(4) require an insurance producer to hold an active life, health, or property and casualty license and be in good standing at the time the producer submits an application to receive a pet insurance license.