

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 1203

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 22, 2024

The Assembly Financial Institutions and Insurance Committee reports favorably and with committee amendments Assembly Bill No. 1203.

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.

This bill was prefiled for introduction in the 2024-2025 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS:

The committee amended the bill to stipulate that an insurance producer may be licensed to sell pet insurance if the producer holds an active life, health, personal lines, or property and casualty line of authority.