CHAPTER 224

AN ACT concerning pet insurance and supplementing P.L.1987, c.377 (C.17:46D-1 et seq.).

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

C.17:46D-3 Short title.

1. This act shall be known and may be cited as the “Pet Insurance Act.”

C.17:46D-4 Findings, declarations.

2. The Legislature finds and declares that:

a. The purpose of this act is to promote the public welfare by creating a comprehensive legal framework within which pet insurance may be sold in this State.

b. The requirements of this act shall apply to pet insurance policies that are issued to any resident of this State, and are sold, solicited, negotiated, or offered in this State, and policies or certificates that are delivered or issued for delivery in this State.

c. All other applicable provisions of this State’s insurance laws shall continue to apply to pet insurance except that the specific provisions of this act shall supersede any general provisions of law that would otherwise be applicable to pet insurance.

C.17:46D-5 Definitions.

3. As used in this act:

“Chronic condition” means a condition that can be treated or managed, but not cured.

“Congenital anomaly or disorder” means a condition that is present from birth, whether inherited or caused by the environment, which may cause or contribute to illness or disease.

“Department” means the Department of Banking and Insurance.

“Hereditary disorder” means an abnormality that is genetically transmitted from parent to offspring and may cause illness or disease.

“Insured” means the owner of the pet listed in the policy.

“Orthopedic” refers to conditions affecting the bones, skeletal muscle, cartilage, tendons, ligaments, and joints. It 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.

"Pet" means a member of the kingdom of living beings, commonly known as a domestic animal, that has the capacity for spontaneous movement and rapid motor response to stimulation, yet is not human, and which has been adapted or tamed to live in intimate association with, and for the pleasure or advantage of, the human species.

“Pet insurance” means a property insurance policy that provides coverage for accidents and illnesses of pets.

“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:

veterinarian provided medical advice;

The pet received previous treatment; or

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

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

“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.

"Veterinarian" means an individual who holds a valid license to practice veterinary medicine pursuant to P.L.1938, c.277 (C.45:16-1 et seq.).

"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.

"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. Waiting periods shall not be applied to renewals of existing coverage.

"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. If any wellness program undertakes to indemnify another, or provides coverage for a fortuitous event, 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.

C.17:46D-6 Use of terms, pet insurers.

4. a. If a pet insurer uses any of the terms in section 3 of this act in a policy of pet insurance, the pet insurer shall use the definition of each of those terms as set forth herein and include the definition of the term in the policy. The pet insurer shall also make the definition available through a clear and conspicuous link on the main page of the internet website of the pet insurer or pet insurer's program administrator.

b. Nothing in this act 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 defined in section 3 of this act.

C.17:46D-7 Information disclosure, pet insurance.

5. a. A pet insurer transacting pet insurance shall disclose to insureds:

(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;

(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";

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

(4) 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

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

b. (1) Unless the insured has filed a claim under the pet insurance policy, the insured shall have the right to examine and return the policy, certificate, or rider to the company or an agent or insurance producer of the company within 30 business days of its receipt and to have the premium refunded if, after examination of the policy, certificate, or rider, the insured is not satisfied for any reason.

(2) Pet insurance policies, certificates, and riders shall 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 shall be included:

"YOU HAVE 30 BUSINESS DAYS FROM THE DAY YOU RECEIVE THIS POLICY, CERTIFICATE, OR RIDER 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 AGENT OR INSURANCE PRODUCER THAT YOU BOUGHT IT FROM AS LONG AS YOU HAVE NOT FILED A CLAIM. YOU MUST RETURN IT WITHIN 30 BUSINESS 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 RIDER. THE PREMIUM REFUND WILL BE SENT DIRECTLY TO THE PERSON WHO PAID IT. THE POLICY, CERTIFICATE, OR RIDER WILL BE VOID AS IF IT HAD NEVER BEEN ISSUED."

c. 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 the internet website of the pet insurer or pet insurer's program administrator.

d. A pet insurer that uses a benefit schedule to determine claim payment under a pet insurance policy shall:

(1) clearly disclose the applicable benefit schedule in the policy; and

(2) 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 the internet website of the pet insurer or pet insurer's program administrator.

e. 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:

(1) 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

(2) disclose the pet insurer's basis for determining usual and customary fees through a clear and conspicuous link on the main page of the internet website of the pet insurer or pet insurer's program administrator.

f. 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.

g. Waiting periods and the requirements applicable to them shall be clearly and prominently disclosed to consumers prior to the policy purchase.

h. (1) The pet insurer shall include a summary of all policy provisions required in subsections a. through g. of this section in a separate document titled "Insurer Disclosure of Important Policy Provisions."

(2) The "Insurer Disclosure of Important Policy Provisions" document shall be made available through a clear and conspicuous link on the main page of the internet website of the pet insurer or pet insurer's program administrator.

(3) 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 in at least 12-point type when it delivers the policy.

i. At the time a pet insurance policy is issued or delivered to a policyholder, the pet insurer shall include the following information, printed in 12-point boldface type:

(1) the department's mailing address, toll-free telephone number, and website address;

(2) the address and customer service telephone number of the pet insurer or the agent or broker of record; and

(3) if the policy was issued or delivered by an agent or broker, a statement advising the policyholder to contact the broker or agent for assistance.

j. The disclosures required pursuant to this section shall be in addition to any other disclosure requirements required by law or regulation.

C.17:46D-8 Preexisting conditions, exclusion, eligibility, pet insurance.

6. a. 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.

b. 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. An insurer shall issue coverage to be effective by 12:01 a.m. on the second calendar day after purchase, subject to the following exceptions:

(1) if an insurer elects to conduct individualized underwriting on a specific pet, then coverage shall be effective by 12:01 a.m. on the second calendar day after the insurer has determined the pet is eligible for coverage;

(2) an insurer may delay coverage from becoming effective to establish a method for the consumer or group administrator to pay the premium;

(3) for pet insurance coverage acquired by an individual through an employer or organization, the coverage effective date may be delayed to align with the eligibility and effective date requirements of the employer or organization's benefit plan; or

(4) if a policy does not include a waiting period for an illness or orthopedic condition, an insurer may set a policy effectuation date that is up to 15 calendar days after purchase, if the policy effectuation date is clearly disclosed and no premium is charged before the policy becomes effective.

c. A pet insurer shall not require a veterinary examination of the covered pet for the insured to have their policy renewed.

d. If a pet insurer includes any prescriptive, wellness, or non-insurance benefits in the policy form, then it shall be made part of the policy contract and shall follow all applicable laws and regulations.

e. An insured's eligibility to purchase a pet insurance policy shall not be based on participation, or lack of participation, in a separate wellness program.

C.17:46D-9 Wellness programs separate from pet insurance.

7. a. A pet insurer or insurance producer shall not market a wellness program as pet insurance.

b. If a wellness program is sold by a pet insurer or insurance producer:

(1) the purchase of the wellness program shall not be a requirement to the purchase of pet insurance;

(2) the costs of the wellness program shall be separate and identifiable from any pet insurance policy sold by a pet insurer or insurance producer;

(3) a payment transaction for pet insurance shall be separate from a payment transaction for a wellness program;

(4)the terms and conditions for the wellness program shall be separate from any pet insurance policy sold by a pet insurer or insurance producer;

(5)the products or coverages available through the wellness program shall not duplicate products or coverages available through the pet insurance policy; and

(6) the advertising of the wellness program shall not be misleading and shall be in accordance with this subsection.

c. A pet insurer or insurance producer shall clearly disclose to consumers, printed in 12-point boldface type:

(1) that wellness programs are not insurance;

(2) the address and customer service telephone number of the pet insurer or insurance producer, or broker of record; and

(3) the department's mailing address, toll-free telephone number, and website address.

d. Coverages included in the pet insurance policy contract described as "wellness" benefits are insurance.

C.17:46D-10 Licensure, training required for pet insurance producer.

8. a. An insurance producer shall not sell, solicit, or negotiate a pet insurance product until after the producer is appropriately licensed and has completed the required training pursuant to subsection c. of this section.

b. Insurers shall ensure that its producers are trained pursuant to subsection c. of this section and that its producers have been appropriately trained on the coverages and conditions of its pet insurance products.

c. The training required pursuant to this subsection shall include information on:

(1) preexisting conditions and waiting periods;

(2) the differences between pet insurance and noninsurance wellness programs;

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

(4) rating, underwriting, renewal, and other related administrative topics.

d. The satisfaction of the training requirements of another state that are substantially similar to the provisions of subsection c. of this section shall be deemed to satisfy the training requirements in this State.

e. Notwithstanding the requirements contained in this section, an insurance producer shall only be licensed to sell pet insurance if the producer holds an active life, health, personal lines, or property and casualty line of authority and is in good standing at the time the producer submits an application for licensure.

C.17:46D-11 Penalties enforceable, pet insurance.

9. The commissioner of the department shall be authorized to establish and enforce penalties for violations of this act, pursuant to section 6 of P.L.1996, c.45 (C.17:1-15).

10. The department may adopt rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the purposes of this act.

11. This act shall take effect on the first day of the 12th month next following the date of enactment.

Approved January 12, 2026.