

## **Title 19: Department of Insurance**

### **Part 5: Non-Auto Property and Casualty**

#### **Part 5 Chapter 6: Pet Insurance Regulation**

##### **Rule 6.01. Statutory Authority**

During the 2023 Regular Legislative Session, the Mississippi Legislature passed Senate Bill 2228, which creates a regulatory framework for the sale, issuance and renewals of pet insurance policies, (hereinafter “Act”). Section 5 of the Act gives the Commissioner the authority to establish rules and regulations establishing policy disclosures, policy conditions, sales practices for the sale of wellness programs, and the ability to establish penalties for violations of any law or regulation regarding the sale of pet insurance.

Source: *Miss. Code Ann.* § 25-61-5; § 83-5-1 (Rev. 2022); Senate Bill 2228, 2023 Regular Legislative Session

##### **Rule 6.02. Definitions.**

If a pet insurer uses any of the terms in this Regulation 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(s) in the policy. The pet insurer shall also make the definition available through a clear and conspicuous link on the main page of the pet insurer or pet insurer’s program administrator’s website.

Nothing in this Regulation 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 below.

- A. “Chronic condition” means a condition that can be treated or managed, but not cured.
- B. “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.
- C. “Hereditary disorder” means an abnormality that is genetically transmitted from parent to offspring and may cause illness or disease.
- D. “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.

- E. “Pet insurance” means a property insurance policy that provides coverage for accidents and illnesses of pets.
- F. “Pet Insurance Producer” means a person licensed in a major line of authority and appointed by a pet insurer may be authorized to sell, solicit or negotiate a pet insurance product.
- G. “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:
  - (1) A veterinarian provided medical advice;
  - (2) The pet received previous treatment; or
  - (3) 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.

- H. “Renewal” means to issue and deliver at the end of an insurance policy period a policy that 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.
- I. “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.
- J. “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.
- K. “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 may not be applied to renewals of existing coverage.
- L. “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 wellbeing of the pet. Any wellness program that meets the definition of insurance as provided in *Miss. Code Ann.* § 83-5-5 (Rev.

2022), shall be considered insurance and shall be 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.

Source: *Miss. Code Ann.* § 25-61-5; § 83-5-1 (Rev. 2022); Senate Bill 2228, 2023 Regular Legislative Session

**Rule 6.03. Disclosures.**

- A. A pet insurer transacting pet insurance shall disclose the following to consumers:
  - (1) If the policy excludes coverage due to any of the following:
    - (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, 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.
  - (5) If the underwriting company differs from the brand name used to market and sell the product.
- B. Right to Examine and Return the Policy.
  - (1) 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 rider to the company or an agent/insurance producer of the company within thirty (30)\_days of its receipt and to have the premium refunded if, after examination of the policy, certificate or rider, the applicant 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 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/insurance producer that you bought it from as long as you have not filed a claim. You must return it within 30 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 pet insurer or pet insurer’s program administrator’s website.
- D. A pet insurer that uses a benefit schedule to determine claim payment under a pet insurance policy shall do both of the following:
  - (1) Clearly disclose the applicable benefit schedule in the policy.
  - (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 pet insurer or pet insurer’s program administrator’s website.
- 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 do both of the following:
  - (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.
  - (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 pet insurer or pet insurer’s program administrator’s website.

- 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 must be clearly and prominently disclosed to consumers prior to the policy purchase.
- H. The pet insurer shall include a summary of all policy provisions required in Rule 6.03(A) through (G), inclusive, in a separate document titled “Insurer Disclosure of Important Policy Provisions.”
- I. The pet insurer shall post the “Insurer Disclosure of Important Policy Provisions” document required in Rule 6.03(H) through a clear and conspicuous link on the main page of the pet insurer or pet insurer’s program administrator’s website.
- J. 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 pursuant to Rule 6.03(H) in at least 12-point type when it delivers the policy.
- K. 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:
  - (1) The mailing address of the Mississippi Insurance Department, 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.
  - (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.
- L. The disclosures required in this section shall be in addition to any other disclosure requirements required by law or regulation.

Source: *Miss. Code Ann.* § 25-61-5; § 83-5-1 (Rev. 2022); Senate Bill 2228, 2023 Regular Legislative Session

**Rule 6.04. Policy Conditions**

- 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.
- (1) A pet insurer utilizing a waiting period permitted in Rule 6.04(B) must issue coverage to be effective by 12:01 a.m. on the second calendar day after purchase, subject only to the following exceptions:
    - (a) If an insurer elects to conduct individualized underwriting on a specific pet, then coverage must be effective by 12:01 a.m. on the second calendar day after the insurer has determined such pet is eligible for coverage.
    - (b) Any insurer may delay coverage from becoming effective to establish a method for the consumer or group administrator to pay the premium, or
    - (c) For pet insurance coverage acquired by an individual through an employer or organization, the coverage requirements of the employer's or organization's benefit plan.
    - (d) 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 fifteen (15) calendar days after purchase, so long as such policy effectuation date is clearly disclosed and no premium is charged before the policy becomes effective.
  - (2) A pet insurer utilizing a waiting period permitted in Rule 6.04(B) shall include a provision in its contract 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.
  - (3) Waiting periods, and the requirements applicable to them, must be clearly and prominently disclosed to consumers prior to the policy purchase
    - (a) A medical examination under Rule 6.04(B)(1) shall be paid for the

policyholder, unless the policy specifies that the pet insurer will pay for the examination.

- (b) 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 in Rule 6.04(B).
- C. A pet insurer must 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 is made part of the policy contract and must follow all applicable laws and regulations in the insurance code.
- E. 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.

Source: *Miss. Code Ann.* § 25-61-5; § 83-5-1 (Rev. 2022); Senate Bill 2228, 2023 Regular Legislative Session

**Rule 6.05. Sales Practices for Wellness Programs**

- A. A pet insurer and/or producer shall not market a wellness program as pet insurance.
- B. If a wellness program is sold by a pet insurer and/or 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 and/or producer.
  - (3) The terms and conditions for the wellness program shall be separate from any pet insurance policy sold by a pet insurer and/or producer.
  - (4) The products or coverages available through the wellness program shall not duplicate products or coverages available through the pet insurance policy; and
  - (5) The advertising of the wellness program shall not be misleading and shall be in accordance with Rule 6.05(B) of this Regulation.
- C. A pet insurer and/or producer shall clearly disclose the following 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 producer or broker of record.
  - (3) The mailing address of the Mississippi Insurance Department, toll-free telephone number, and website address.
- D. Coverages included in the pet insurance policy contract described as “wellness” benefits are insurance.

Source: *Miss. Code Ann.* § 25-61-5; § 83-5-1 (Rev. 2022); Senate Bill 2228, 2023 Regular Legislative Session

#### **Rule 6.06. Continuing Education Requirements**

- A. In order to ensure that producers have been appropriately trained on the coverages and conditions of its pet insurance products, all insurance producers selling pet insurance policies must receive at least one (1) hour of continuing education related to the selling of pet insurance as part of their continuing education requirement for license renewal pursuant to *Miss. Code Ann.* § 83-17-251(3). Furthermore, the insurance producer must be able to provide proof to the Department upon request that they have complied with this requirement.
- B. The training required under this subsection shall include information on the following topics:
- (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.
- C. Training offered by another state may be accepted if the commissioner determines that the course is substantially similar to the requirements herein.
- D. This continuing education requirement shall not apply to those insurance agents who are exempt for continuing education requirements pursuant to *Miss. Code Ann.* § 83-17-251(4)(e).



Source: *Miss. Code Ann.* § 25-61-5; § 83-5-1 (Rev. 2022); Senate Bill 2228, 2023 Regular Legislative Session

**Rule 6.07. Violations**

Any violation of the provisions of the Act or this Regulation will be subject to the penalties prescribed in law, specifically *Miss. Code Ann.* § 83-5-17 (Rev. 2011), which provides for a fine to be issued up to Five Thousand Dollars (\$5,000.00) per violation.

Source: *Miss. Code Ann.* § 25-61-5; § 83-5-1 (Rev. 2022); Senate Bill 2228, 2023 Regular Legislative Session

**Rule 6.08. Effective Date.**

This Regulation shall be in effect on and after January 1, 2024.

Source: *Miss. Code Ann.* § 25-61-5; § 83-5-1 (Rev. 2022); Senate Bill 2228, 2023 Regular Legislative Session