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BULLETIN NO. 26-09

TO: **LICENSED INSURANCE PRODUCERS, AND ALL INSURERS AUTHORIZED OR ADMITTED IN NEW JERSEY**

FROM: **SUSAN OCHS, ACTING COMMISSIONER**

RE: **PET INSURANCE ACT, N.J.S.A. 17:46D-3 TO -11**

The purpose of this bulletin is to provide guidance regarding P.L. 2025, c. 224, which will be codified at N.J.S.A. 17:46D-3 to -11, and become effective on January 1, 2027, known as the Pet Insurance Act ("Act"). The Act's purpose is to promote the public welfare by creating a comprehensive legal framework within which pet insurance[1] may be sold in New Jersey. N.J.S.A. 17:46D-4.[2] The Act applies to pet insurance policies that are issued to any New Jersey resident, and are sold, solicited, negotiated, or offered in New Jersey, and policies or certificates that are delivered or issued for delivery in New Jersey. Ibid. The Department of Banking and Insurance ("Department") will promulgate regulations to effectuate the purposes of the Act. Prior to the promulgation of regulations, insurance producers and insurers must still comply with the Act.

Licensing and Training Requirements

Starting January 1, 2027, pet insurance will no longer be a limited lines authority under N.J.A.C. 11:17-2.2(a)9iv. Licensed insurance producers with only a limited lines authority will no longer be authorized to sell pet insurance. In order to sell, solicit, or negotiate a pet insurance product, a producer must be licensed in a life, health, personal lines, or a property and casualty line of authority and complete required training specific to pet insurance. N.J.S.A. 17:46D-10.

Licensing Requirements:
In order to be licensed in a life, health, personal lines, or a property and casualty line of authority, resident applicants must pass a prelicensing education course, and a state examination. N.J.A.C. 11:17-3.4, -3.5; N.J.S.A. 17:22A-31, -32. Producers can apply for a life, health, personal lines, or

[1] "Pet insurance" means a property insurance policy that provides coverage for accidents and illnesses of pets. N.J.S.A. 17:46D-5.

[2] Citations are to the statutes that will be in effect as of January 1, 2027.

a property and casualty line of authority on the National Insurance Producer Registry's ("NIPR") website.

Training Requirements:
Insurers must ensure that their producers complete training in preexisting conditions and waiting periods; differences between pet insurance and non-insurance wellness programs; how policies interact with hereditary disorders, congenital conditions, and chronic conditions; and rating, underwriting, renewal, and other related administrative topics. N.J.S.A. 17:46D-10. If a producer completed substantially similar training in another state**,** it can satisfy this requirement. Ibid. Insurers shall also ensure that their producers have been appropriately trained on the coverages and conditions of its pet insurance products. Ibid.

Disclosure Requirements

Coverage Exclusions:
Pet insurers must disclose to insureds if the policy excludes coverage due to preexisting conditions, hereditary disorders, congenital anomalies or disorders, or chronic conditions, as those terms are defined in N.J.A.C. 17:46D-5. N.J.S.A. 17:46D-6, 7. If there are other exclusions, they must notify insureds using the following statement: "Other exclusions may apply. Please refer to the exclusions section of the policy for more information." N.J.S.A. 17:46D-7a(2). The pet insurer has the burden of proving that the preexisting condition exclusion applies to the condition for which a claim is being made. N.J.A.C. 17:46D-8a.

30 Day Right to Examine and Return:
If the insured has not filed a claim, they have the right to return the policy, certificate, or rider within 30 business days of receipt and have their premium be refunded if they are not satisfied for any reason. N.J.S.A. 17:46D-7b(1). Policies, certificates, and riders shall prominently display the notice, on the first page, or attached thereto, including specific instructions regarding how to return the policy. The language at N.J.S.A. 17:46D-7b(2) is sufficient.

Limits on Coverage, including Waiting Periods, Deductibles, Coinsurance, Annual or Lifetime:
Pet insurers must also disclose if coverage is limited through a waiting or affiliation period, a deductible, coinsurance, or annual or lifetime coverage limits. N.J.S.A. 17:46D-7a(3). Waiting periods cannot exceed 30 days for illnesses or orthopedic conditions not resulting from an accident. Waiting periods for accidents are prohibited. N.J.S.A. 17:46D-8b. If there is no waiting period for an illness or orthopedic condition, the policy effectuation date may be set up to 15 calendar days after purchase, if the date is clearly disclosed and no premium is charged before the policy becomes effective. N.J.S.A. 17:46D-8b(4). Pet insurers must also disclose whether coverage can be reduced, or premiums can increase based on the insured's claim history, the pet's age, or the insured's geographic location changes. N.J.S.A. 17:46D-7a(4).

Claim Payments:
Pet insurers must explain how claim payments are calculated before the policy is issued and make that explanation easily available on their website. If the pet insurer uses a benefit schedule, it must include the schedule in the policy and include a conspicuous link on its website to all of its benefit schedules. N.J.S.A. 17:46D-7d. If the pet insurer reimburses based on usual and customary veterinary fees or similar limits, it must include a usual and customary fee limitation provision in the policy and clearly describe the basis for determining usual and customary fees, and its

application in calculating claim payments and include a conspicuous link on its website to its basis for determining usual and customary fees. N.J.S.A. 17:46D-7e.

Medical Examination Requirement:
If a veterinary exam is required before coverage begins, the pet insurer must disclose the requirements of the exam before the policy is purchased and that the exam results could lead to a preexisting condition exclusion. N.J.S.A. 17:46D-7f. A pet insurer shall not require a veterinary examination of the covered pet for the insured to have their policy renewed. N.J.S.A. 17:46D-8c.

Policy Provisions:
Pet insurers must include a summary of all policy provisions in a separate document titled "Insurer Disclosure of Important Policy Provisions." The disclosure document must contain a summary of all policy provisions required in sections N.J.S.A. 17:46D-7a through g, covering exclusions, limitations, premium changes, the free look period, claim payment formulas, medical exam requirements, and waiting periods. The document must be available through a clear and conspicuous link on the main page of the pet insurer's or program administrator's website. When issuing a new policy, pet insurers must provide consumers with a copy of this document in at least 12-point type at the time the policy is delivered. N.J.S.A. 17:46D-7h.

Wellness Programs

A "wellness program" is 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 laws. 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. N.J.S.A. 17:46D-5.

Pet insurers must clearly differentiate pet wellness programs from insurance policies to help eliminate consumer confusion between insurance policies and non-insurance wellness programs.

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

- A wellness program shall not be advertised or marketed as pet insurance;
- The purchase of the wellness program shall not be a requirement to the purchase of pet insurance;
- 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;
- The cost of the wellness program must be separately identifiable from any pet insurance policy;
- The payments for pet insurance and wellness programs must be separate;
- The terms and conditions for pet insurance and wellness programs shall be separate;
- The products or coverages available through the wellness program shall not duplicate products or coverages available through the pet insurance policy; and
- Advertisements for a wellness program must not be misleading.

[N.J.S.A. 17:46D-8e, 9a, 9b].

The pet insurer or insurance producer must clearly disclose to consumers in at least 12-point bold font that wellness programs are not insurance and must include the address and customer service number of the pet insurer, insurance producer, or broker, and the contact information of the Department. N.J.S.A. 17:46D-9c. The Department's contact information includes the: address of 20 W. State St., PO Box 325 Trenton, N.J. 08625; toll-free number of 1-800-446-7467; and the website address (www.nj.gov/dobi).



11/19/2026
Date

Susan Ochs
Acting Commissioner

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