



September 14, 2023

(sent via email)

**Testimony to the House Insurance Committee**

The Honorable Kevin Boyle  
Chair, House Insurance Committee  
115 Irvis Office Bldg.  
Harrisburg, PA 17120  
cc. Members, House Insurance Committee

**RE: House Bill 660: Pet Insurance – SUPPORT**

Honorable Chair Boyle and members of the committee:

IA&B is a professional trade association for independent insurance agents in Pennsylvania. Our membership is comprised of nearly 900 member agencies and their 8,000-plus employees located throughout the state, representing a cross-section of large and small businesses providing all lines of insurance coverage to their clients. We are writing today to ask for your support for HB 660.

Although pet insurance has been around for decades, the demand for the product has increased in recent years, and many insurers have only recently entered into the pet insurance market. Most pet insurance policies are sold directly by the insurer, and in speaking to our membership, some independent agents who do not currently write pet insurance have cited as a reason the lack of consistency in policy terms and exclusions across insurers in the market. Among our members who do offer pet insurance, it is typically cross-sold as the result of the purchase of another insurance product. For example, pet ownership is typically disclosed when applying for a homeowner's policy, and this disclosure may lead to a discussion of whether the customer had considered pet insurance coverage.

HB 660 includes several provisions that are designed to improve consistency of policy terms and clarity for consumers. § 4503 standardizes definitions for several common policy conditions and exclusions, while § 4505 requires disclosure of these terms to customers. Insurers are also required to include a clear and conspicuous link to these definitions and disclosures on their website. Given that the vast majority of pet insurance sales are initiated online via the insurer's website, we believe this requirement is particularly appropriate.

Anyone who sells, solicits, or negotiates insurance in the Commonwealth of Pennsylvania must be appropriately licensed in that particular line of authority by the Pennsylvania Insurance Department, and HB 660 reinforces this requirement for the pet insurance market. In other states, regulators have found that some pet insurance products were being marketed through unlicensed



individuals, including pet store employees, pet trainers, and veterinarians. In some instances, unlicensed individuals were incentivized to market specific products with potential for rewards like gift cards, products, or even paid vacations<sup>1</sup>. Anyone without a license to sell insurance is unlikely to fully understand the product they are marketing, leading to customers with a poor understanding of the terms and exclusions of the policy they are purchasing.

Overall, HB 660 creates a system of regulatory guardrails for the pet insurance marketplace, and we believe that it'll make customers more informed about the products they are purchasing. We respectfully request your support.

Sincerely,

Johnathan Savant  
Government Affairs Director  
johns@iabforme.com  
(717) 574-8375

<sup>1</sup> National Association of Insurance Commissioners' White Paper: *A Regulator's Guide to Pet Insurance*, page 31, April 2019