

**NAPHIA Testimony for Pennsylvania House Insurance Committee: HB 660**  
September 12, 2023

Thank you, Chairman Boyle, and members of the Committee, for the opportunity to testify before you today on House Bill 660.

My name is Cari Lee, and I'm the Director of Government Affairs for Steptoe and Johnson. I'm here representing the North American Pet Health Insurance Association, known as NAPHIA. NAPHIA represents more than 25 insurers who write almost all of the pet insurance in the state of Pennsylvania.

For background, of the 73 million cats and 75 million dogs in the U.S., only 3 percent of them are covered by pet insurance. However, that is changing as more people purchase pets and the price of veterinarian care increases. For example, the average cost of stomach surgery to remove a sock is \$7,000. Our policies cover things like broken limbs, allergies, diabetes, cancer, and, yes, the removal of a sock.

NAPHIA supports the bill that is before you today. In fact, we worked alongside the National Association of Insurance Commissioners and the Pennsylvania Insurance Department for more than 2 ½ years until the NAIC adopted the model in October of 2021. Seven states – Maine, New Hampshire, Nebraska, Washington, Louisiana, Mississippi, and Delaware – have already adopted the model.

And that is why we are here today, asking for your support. This important consumer-focused legislation creates new pet insurance-specific definitions and consumer disclosures, as well as outlines required policy provisions for pet insurers to follow.

We recommend the Committee consider two minor amendments. One is to increase the time consumers have to review and return the policy– commonly known as the free look period. We suggest giving consumers thirty rather than fifteen days.

Our second suggestion is to remove the language in section § 4508 (Sales practices for wellness programs) that prohibits an insurer or an agent from marketing or selling a non-insurance wellness product during the sale of pet insurance. We think consumers should know as much about their options as possible and be able to quickly determine what coverages are in their insurance policy and what items are covered under wellness benefits outside the policy, such as nail trims or teeth cleaning. We will provide our suggested amendment to the Committee for review.

Additionally, the industry wants our customers to be happy with their purchase. By adopting this legislation, you are ensuring that every pet insurer follows the same set of standards and rules, and you are ensuring every agent selling our products has received appropriate training on the policy conditions and benefits.

Finally, we would like to thank the Pennsylvania Insurance Department for their work on the NAIC Pet Insurance Working Group and their willingness to work together to craft legislation that best meets the needs of consumers while also creating an industry-level playing field for future growth.

In the interest of time, I will conclude my remarks and I'm happy to answer any questions.