



**DOMESTIC AND FOREIGN INSURERS BULLETIN NO. 142
PRODUCERS AND ADJUSTERS BULLETIN NO. 36**

**TO: INSURANCE COMPANIES AND LICENSED INSURANCE
PRODUCERS AUTHORIZED TO TRANSACT PROPERTY AND
CASUALTY INSURANCE IN DELAWARE**

RE: PASSAGE OF THE MODEL PET INSURANCE ACT

DATED: September 19, 2023

This Bulletin informs property and casualty insurance carriers and producers of the passage of House Bill No. 156 of the 152nd General Assembly (“[HB 156](#)”), which was signed by the Governor on August 31, 2023. HB 156 adds new Chapter 88 to Title 18, entitled the “Pet Insurance Act” (“the Act”). As provided at 18 *Del. C.* § 8802, the purpose of the Act is to promote the public welfare by creating a comprehensive legal framework within which pet insurance may be sold in Delaware. The Act applies to a pet insurance policy that is issued to a resident of Delaware, a pet insurance policy that is sold, solicited, negotiated, or offered in Delaware, or a pet insurance policy or certificate that is delivered or issued for delivery in Delaware. The Department is allowing insurers up until December 1, 2023 to refile any currently-approved pet insurance policy forms to bring them into compliance with the Act.

Background

The Act reflects the adoption of the National Association of Insurance Commissioner’s (“NAIC”) Pet Insurance Model Act, adopted by the NAIC on August 1, 2022. Among other things, the Model Act standardizes policy language and includes various consumer protections ensuring high quality in pet insurance products by including key elements such as:

- Multiple disclosure requirements
- 30-day “free look” period for consumers
- Waiting period parameters:
 - Insurers may impose a 30-day waiting period before coverage starts for illnesses or orthopedic conditions not resulting from an accident. However, a pet owner may avoid the waiting period by having a medical examination of the pet completed right away.
 - Insurers are prohibited from imposing waiting periods for injuries due to accidents.
- Wellness programs are not insurance and may not be marketed as a prerequisite for pet insurance coverage.

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Producer Training Requirements

Section 8807 of the Act sets forth insurance producer training requirements.

Subsection 8807(a) specifies that an insurance producer is prohibited from selling, soliciting or negotiating a pet insurance product until after the producer is appropriately licensed and has completed training on the product the producer is offering for sale.

Subsection 8807(b) makes it the insurer's responsibility to confirm that the insurer's insurance producer is properly trained.

Subsection 8807(c) lists the subject matter of the training, including understanding:

- The meaning and application of “preexisting condition” and “waiting period” under the policy;
- The difference between pet insurance and a noninsurance wellness program;
- The meaning of a “hereditary disorder,” “congenital anomaly or disorder,” and “chronic condition” and how a pet insurance policy interacts with the disorder, anomaly, or condition; and
- Rating, underwriting, renewal and another related administrative topic.

The subsection also provides that satisfaction of the training requirement of another state that is substantially similar to the training requirements set forth at subsection 8807(c) (as determined by the Commissioner) satisfies the training requirement under Chapter 88.

Training Requirements FAQs

What documentation, if any, constitutes proof of completion of the training requirements?


- Ultimately the insurer is responsible under Section 8807(b) to ensure that the producer is adequately trained, so the insurer should maintain documentation of the insurer's compliance with the Code.

What if a producer wishes to sell pet insurance through more than one insurer?

If a producer is selling the products of multiple carriers, presumably with differing products, then training would have to be provided for each product/carrier.

Questions concerning this Bulletin should be directed to the Department of Insurance's Consumer Services Bureau at compliance@delaware.gov.

This Bulletin shall be effective immediately and shall remain in effect unless withdrawn or superseded by subsequent law, regulation or bulletin.



Trinidad Navarro
Delaware Insurance Commissioner

NOTE: This Bulletin is intended solely for informational purposes. It is not intended to set forth legal rights, duties, or privileges, nor is it intended to provide legal advice. Readers should consult applicable statutes and rules and contact the Delaware Department of Insurance if additional information is needed.