



Pet Insurance Industry Supports Legislation HB 647

The North American Pet Health Insurance Association (NAPHIA), the American Property Casualty Association (APCIA), and the National Association of Mutual Insurance Companies (NAMIC) are pleased Maryland is considering drafting pet insurance legislation based on the National Association of Insurance Commissioners (NAIC) model law. Our members make up over 98% of the pet insurance market in the United States. Given our common interest in promoting responsible regulation in the pet insurance industry, we'd like to share our support as you consider drafting legislation.

By enacting this legislation, Maryland would join a growing number of states — 17 and counting— that have adopted or are considering incorporating a uniform and workable regulatory regime for pet insurance products. That is why we support this draft legislation because it is good for consumers and industry participants alike.

This language is good for consumers because:

- It mandates robust consumer disclosures – especially in a growing market, we believe it is important that all consumers receive comprehensive and clear disclosures, so they are provided with the information they need to understand what they are buying no matter which company they purchase from;
- It brings consistency to important concepts – for example, the bill would mandate that all insurers use the same definitions that today are more company-by-company;
- It requires that every agent selling our products has received appropriate training on any policy they are selling. While companies train their agents today, we support codifying this training into the bill;
- It allows insurers to offer a healthy range of products for pet owners to choose from as they assess their individual needs.

Finally, pet insurance legislation is good for industry participants – insurers, distributors, and agents – because it brings clarity and consistency to our regulatory requirements. Going forward, we will have specific requirements applicable to pet insurance with which all players will have to comply, including new entrants to this growing market. The language before you today has been thoroughly vetted to ensure the legislation that appears before you creates an efficient, effective regulatory framework for pet insurance that benefits consumers, empowers regulators, and ensures the marketplace operates fairly.

For these reasons, NAPHIA, NAMIC, and APCIA encourage your support. Thank you for your consideration.