SENATE COMMERCE COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 1203

STATE OF NEW JERSEY

DATED: MARCH 24, 2025

The Senate Commerce Committee reports favorably Assembly Bill No. 1203 (1R).

This bill establishes the "Pet Insurance Act," which creates a comprehensive legal framework within which pet insurance may be sold in the State.

Under the bill, several consumer protections related to policy renewals, waiting periods, policy limits, conditions, and benefit schedules are included, including disclosures a pet insurer transacting pet insurance must disclose to consumers, such as:

(1) if the policy excludes coverage due to:

(a) a preexisting condition;

(b) a hereditary disorder;

(c) a congenital anomaly or disorder; or

(d) a chronic condition; and

(2) if the policy includes any other exclusions, using the following statement: "Other exclusions may apply. Please refer to the exclusions section of the policy for more information."

The bill provides limits on how insurers can deny pet insurance claims related to preexisting conditions of covered pets, and requires the insurer to prove a preexisting condition limitation applies.

The bill additionally provides requirements to insurers and insurance producers to clearly differentiate pet wellness programs from insurance policies to eliminate consumer confusion between what services are covered by insurance.

Finally, the bill provides training requirements for insurance producers to ensure that producers are appropriately prepared to present information to consumers. The bill also stipulates that an insurance producer can only be licensed to sell pet insurance if the producer holds an active life, health, personal lines, or property and casualty line of authority.