
A BILL FOR AN ACT

RELATING TO PET INSURANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 431, Hawaii Revised Statutes, is
2 amended by adding a new article to be appropriately designated
3 and to read as follows:

4 **"ARTICLE**

5 **PET INSURANCE**

6 **§431: -101 Short title.** This article shall be known and
7 may be cited as the Hawaii Pet Insurance Act.

8 **§431: -102 Scope and purpose.** (a) The purpose of this
9 article is to promote the public welfare by creating a
10 comprehensive legal framework within which pet insurance may be
11 sold in this State.

12 (b) The requirements of this article shall apply to pet
13 insurance policies that are issued to any resident of this
14 State, and are sold, solicited, negotiated, or offered in this
15 State, and policies or certificates that are delivered or issued
16 for delivery in this State.



1 (c) All other applicable provisions of this State's
2 insurance laws shall continue to apply to pet insurance, except
3 that the specific provisions of this article shall supersede any
4 general provisions of law that would otherwise be applicable to
5 pet insurance.

6 (d) Nothing in this article shall in any way prohibit or
7 limit the types of exclusions pet insurers may use in their
8 policies or require pet insurers to have any of the limitations
9 or exclusions identified and defined in section 431: -103.

10 **§431: -103 Definitions.** As used in this article, unless
11 the context clearly indicates otherwise:

12 "Chronic condition" means a condition that can be treated
13 or managed, but not cured.

14 "Congenital anomaly or disorder" means a condition that is
15 present from birth, whether inherited or caused by the
16 environment, which may cause or contribute to illness or
17 disease.

18 "Hereditary disorder" means an abnormality that is
19 genetically transmitted from parent to offspring and may cause
20 illness or disease.



1 "Orthopedic" means conditions affecting the bones, skeletal
2 muscle, cartilage, tendons, ligaments, and joints. "Orthopedic"
3 includes but is not limited to elbow dysplasia, hip dysplasia,
4 intervertebral disc degeneration, patellar luxation, and
5 ruptured cranial cruciate ligaments. "Orthopedic" does not
6 include cancers or metabolic, hemopoietic, or autoimmune
7 diseases.

8 "Pet insurance" means a property insurance policy that
9 provides coverage for accidents and illnesses of pets.

10 "Preexisting condition" means any condition for which any
11 of the following are true before the effective date of a pet
12 insurance policy or during any waiting period:

- 13 (1) A veterinarian provided medical advice;
14 (2) The pet received previous treatment; or
15 (3) Based on information from verifiable sources, the pet
16 had signs or symptoms directly related to the
17 condition for which a claim is being made.

18 "Renewal" means to issue and deliver at the end of an
19 insurance policy period a policy that supersedes a policy
20 previously issued and delivered by the same pet insurer or
21 affiliated pet insurer and that provides types and limits of



1 coverage substantially similar to those contained in the policy
2 being superseded.

3 "Veterinarian" means an individual who holds a valid
4 license to engage in the practice of veterinary medicine under
5 chapter 471.

6 "Veterinary expenses" means the costs associated with
7 medical advice, diagnosis, care, or treatment provided by a
8 veterinarian, including but not limited to the cost of drugs
9 prescribed by a veterinarian.

10 "Waiting period" means the period of time specified in a
11 pet insurance policy that is required to transpire before some
12 or all of the coverage in the policy can begin.

13 "Wellness program" means a subscription- or
14 reimbursement-based program that is separate from an insurance
15 policy that provides goods and services to promote the general
16 health, safety, or wellbeing of the pet.

17 **§431: -104 Disclosures.** (a) A pet insurer transacting
18 pet insurance shall disclose the following to consumers:

19 (1) Whether the policy excludes coverage due to any of the
20 following:

21 (A) A chronic condition;



- 1 (B) A congenital anomaly or disorder;
- 2 (C) A hereditary disorder; or
- 3 (D) A preexisting condition;
- 4 (2) If the policy includes any other exclusions, the
- 5 following statement: "Other exclusions may apply.
- 6 Please refer to the exclusions section of the policy
- 7 for more information.";
- 8 (3) Any policy provision that limits coverage through a
- 9 waiting period, an affiliation period, a deductible,
- 10 coinsurance, or an annual or lifetime policy limit;
- 11 (4) Whether the pet insurer reduces coverage or increases
- 12 premiums based on the consumer's claim history, the
- 13 age of the covered pet, or a change in the geographic
- 14 location of the covered pet; and
- 15 (5) Whether the underwriting company differs from the
- 16 brand name used to market and sell the product.
- 17 (b) Unless the consumer has filed a claim under the pet
- 18 insurance policy, pet insurance applicants shall have the right
- 19 to examine and return the policy, certificate, or rider to the
- 20 pet insurer or an agent or insurance producer of the pet insurer
- 21 within thirty days of its receipt and to have the premium



1 refunded if, after examination of the policy, certificate, or
2 rider, the applicant is not satisfied for any reason.

3 Pet insurance policies, certificates, and riders shall have
4 a notice prominently printed on the first page or attached to
5 the first page that includes specific instructions to accomplish
6 a return. The following free look statement or language
7 substantially similar shall be included:

8 "You have 30 days from the day you receive this
9 policy, certificate, or rider to review it and return
10 it to the pet insurer if you decide not to keep it.
11 You do not have to tell the pet insurer why you are
12 returning it. If you decide not to keep it, simply
13 return it to the pet insurer at its administrative
14 office or you may return it to the agent/insurance
15 producer that you bought it from as long as you have
16 not filed a claim. You must return it within 30 days
17 of the day you first received it. The pet insurer
18 will refund the full amount of any premium paid within
19 30 days after it receives the returned policy,
20 certificate, or rider. The premium refund will be
21 sent directly to the person who paid it. The policy,



1 certificate, or rider will be void as if it had never
2 been issued."

3 (c) A pet insurer shall clearly disclose a summary
4 description of the basis or formula on which the pet insurer
5 determines claim payments under a pet insurance policy within
6 the policy, before policy issuance and through a clear and
7 conspicuous link on the main page of the pet insurer's or pet
8 insurer's program administrator's website.

9 (d) A pet insurer that uses a benefit schedule to
10 determine claim payment under a pet insurance policy shall:

11 (1) Clearly disclose the applicable benefit schedule in
12 the policy; and

13 (2) Disclose all benefit schedules used by the pet insurer
14 under its pet insurance policies through a clear and
15 conspicuous link on the main page of the pet insurer's
16 or pet insurer's program administrator's website.

17 (e) A pet insurer that determines claim payments under a
18 pet insurance policy based on usual and customary fees, or any
19 other reimbursement limitation based on prevailing veterinary
20 service provider charges, shall:



1 (1) Include a usual and customary fee limitation provision
2 in the policy that clearly describes the pet insurer's
3 basis for determining usual and customary fees and how
4 that basis is applied in calculating claim payments;
5 and

6 (2) Disclose the pet insurer's basis for determining usual
7 and customary fees through a clear and conspicuous
8 link on the main page of the pet insurer's or pet
9 insurer's program administrator's website.

10 (f) If any medical examination by a veterinarian is
11 required to effectuate coverage, the pet insurer shall clearly
12 and conspicuously disclose the required aspects of the
13 examination before purchase and disclose that examination
14 documentation may result in a preexisting condition exclusion.

15 (g) Waiting periods, and the requirements applicable to
16 the waiting periods, shall be clearly and prominently disclosed
17 to consumers before the policy purchase.

18 (h) The pet insurer shall include a summary of all policy
19 provisions required in subsections (a) through (g), inclusive,
20 in a separate document titled "Insurer Disclosure of Important
21 Policy Provisions".



1 (i) The pet insurer shall post the insurer disclosure of
2 important policy provisions document required in subsection (h)
3 through a clear and conspicuous link on the main page of the pet
4 insurer's or pet insurer's program administrator's website.

5 (j) In connection with the issuance of a new pet insurance
6 policy, the pet insurer shall provide the consumer with a copy
7 of the insurer disclosure of important policy provisions
8 document required pursuant to subsection (h) in at least
9 twelve-point type when the pet insurer delivers the policy.

10 (k) At the time a pet insurance policy is issued or
11 delivered to a policyholder, the pet insurer shall include a
12 written disclosure with the following information, printed in
13 twelve-point boldface type:

14 (1) The insurance division's mailing address, toll-free
15 telephone number, and website address;

16 (2) The address and customer service telephone number of
17 the pet insurer or the agent or broker of record; and

18 (3) If the policy was issued or delivered by an agent or a
19 broker, a statement advising the policyholder to
20 contact the agent or broker for assistance.



1 (1) The disclosures required in this section shall be in
2 addition to any other disclosure requirements required by law or
3 rule.

4 **§431: -105 Policy conditions.** (a) If a pet insurer
5 uses any of the terms in this article in a policy of pet
6 insurance, the pet insurer shall use the definition of each of
7 those terms as set forth in section 431: -103 and include the
8 definition of the term in the policy. The pet insurer shall
9 also make the definition available through a clear and
10 conspicuous link on the main page of the pet insurer's or pet
11 insurer's program administrator's website.

12 (b) A pet insurer may issue policies that exclude coverage
13 on the basis of one or more preexisting conditions with
14 appropriate disclosure to the consumer. The pet insurer shall
15 have the burden of proving that the preexisting condition
16 exclusion applies to the condition for which a claim is being
17 made. A condition for which coverage is afforded on a policy
18 shall not be considered a preexisting condition on any renewal
19 of the policy.

20 (c) A pet insurer may issue policies that impose waiting
21 periods upon effectuation of the policy that do not exceed



1 thirty days for illnesses or orthopedic conditions not resulting
2 from an accident. Waiting periods shall not be applied to
3 renewals of existing coverage. Waiting periods for accidents
4 shall be prohibited.

5 A pet insurer utilizing a waiting period permitted under
6 this subsection shall include a provision in its contract that
7 allows the waiting periods to be waived upon completion of a
8 medical examination. Pet insurers may require the examination
9 to be conducted by a veterinarian after the purchase of the
10 policy. The medical examination for the waiver shall be paid
11 for by the consumer, unless the policy specifies that the pet
12 insurer will pay for the examination. A pet insurer may specify
13 elements to be included as part of the medical examination and
14 require documentation of the examination; provided that the
15 specifications shall not unreasonably restrict a consumer's
16 ability to waive the waiting period under this subsection.

17 Waiting periods, and the requirements applicable to the
18 waiting periods, shall be clearly and prominently disclosed to
19 consumers before the policy purchase.

20 (d) A pet insurer shall not require a medical examination
21 of the covered pet for the consumer to have the policy renewed.



1 (e) If a pet insurer includes any prescriptive, wellness,
2 or non-insurance benefits in the policy form, then the benefits
3 shall be made part of the policy contract and shall follow all
4 applicable laws and rules in this chapter.

5 (f) A consumer's eligibility to purchase a pet insurance
6 policy shall not be based on participation, or lack of
7 participation, in a separate wellness program.

8 **§431: -106 Sales practices for wellness programs; when**
9 **deemed insurance.** (a) A pet insurer or an insurance producer
10 shall not market a wellness program as pet insurance.

11 (b) If a wellness program is sold by a pet insurer or an
12 insurance producer:

13 (1) The purchase of the wellness program shall not be a
14 requirement to the purchase of pet insurance;

15 (2) The costs of the wellness program shall be separate
16 and identifiable from any pet insurance policy sold by
17 a pet insurer or an insurance producer;

18 (3) The terms and conditions for the wellness program
19 shall be separate from any pet insurance policy sold
20 by a pet insurer or an insurance producer;



1 (4) The products or coverages available through the
2 wellness program shall not duplicate products or
3 coverages available through the pet insurance policy;

4 (5) The advertising of the wellness program shall not be
5 misleading and shall be in accordance with this
6 subsection; and

7 (6) A pet insurer or an insurance producer shall clearly
8 disclose the following to consumers, printed in
9 twelve-point boldface type:

10 (A) That wellness programs are not insurance;

11 (B) The address and customer service telephone number
12 of the pet insurer or insurance producer or
13 broker of record; and

14 (C) The insurance division's mailing address,
15 toll-free telephone number, and website address.

16 (c) Coverages included in the pet insurance policy
17 contract described as "wellness" benefits shall be deemed
18 insurance.

19 (d) If a wellness program undertakes to indemnify another
20 or pays a specified amount upon determinable contingencies, the
21 wellness program shall be deemed to be transacting an insurance



1 business as described in section 431:1-215 and shall be subject
2 to this chapter.

3 (e) A wellness program shall not be construed to classify
4 a contract that is directly between a service provider and a pet
5 owner and only involves the two parties as transacting an
6 insurance business as described in section 431:1-215, unless
7 other indications of insurance also exist.

8 **§431: -107 Insurance producer training.** (a) An
9 insurance producer shall not sell, solicit, or negotiate a pet
10 insurance product until after the insurance producer is
11 appropriately licensed under the property and casualty lines of
12 authority and has completed the required training identified in
13 subsection (c).

14 (b) An insurer shall ensure that its insurance producers
15 are trained under subsection (c) and that its insurance
16 producers have been appropriately trained on the coverages and
17 conditions of its pet insurance products.

18 (c) The training required under this section shall include
19 information on the following topics:

20 (1) Preexisting conditions and waiting periods;



(2) The differences between pet insurance and noninsurance wellness programs;

(3) Chronic conditions, congenital anomalies and disorders, and hereditary disorders and how pet insurance policies interact with those conditions or disorders; and

(4) Rating, underwriting, renewal, and other related administrative topics.

(d) The satisfaction of the training requirements of another state that are substantially similar to the provisions of subsection (c) shall be deemed to satisfy the training requirements in this State.

§431: -108 Rules. The commissioner may adopt rules pursuant to chapter 91 to administer this article.

§431: -109 Violations. Violations of this article shall be subject to penalties pursuant to this chapter and the rules pursuant to this chapter."

SECTION 2. This Act shall not be applied so as to impair any contract existing as of the effective date of this Act in a manner violative of either the Constitution of the State of



1 Hawaii or Article I, Section 10, of the United States
2 Constitution.

3 SECTION 3. This Act does not affect rights and duties that
4 matured, penalties that were incurred, and proceedings that were
5 begun before its effective date.

6 SECTION 4. This Act shall take effect on January 1, 2026.



Report Title:

Pet Insurance; Regulation; Establishment

Description:

Beginning 1/1/2026, establishes a regulatory framework specifically for pet insurance based on the National Association of Insurance Commissioners' Pet Insurance Model Act. (CD1)

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