

17:46D-1

LEGISLATIVE HISTORY CHECKLIST

NJSA: 17:46D-1, 17:46D-2

(Pet health insurance-- exclude from property-liability insurance guaranty act)

CHAPTER: 377

LAWS OF: 1987

Bill No: A4037

Sponsor(s): Franks and Crecco

Date Introduced: May 18, 1987

Committee: Assembly: Insurance

Senate: Labor, Industry and Professions

Amended during passage: Yes

Amendments during passage denoted by asterisks.

Date of Passage:

Assembly:

June 25, 1987

Senate:

December 17, 1987

Date of Approval: January 7, 1988

Following statements are attached if available:

Sponsor statement:

Yes

(Below)

Committee statement:

Assembly

Yes

Senate

Yes

Fiscal Note:

No

Veto Message:

No

Message on Signing:

No

Following were printed:

Reports:

No

Hearings:

No

Sponsors' statement:

This bill conserves the resources and preserves the integrity of the "New Jersey Property-Liability Insurance Guaranty Association Act" by excluding pet health insurance from the applicability of the act.

(OVER)

See newspaper clippings-- attached:

"Assembly passes pet health insurance bill," 6-26-87 Trenton Times.

"Insurance for man's best friend," 12-18-87 Bergen Record.

27 107-85 81  
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ASSEMBLY, No. 4037

STATE OF NEW JERSEY

INTRODUCED MAY 18, 1987

By Assemblyman FRANKS and Assemblywoman CRECCO

AN ACT concerning pet health insurance \***[and]**\* \*,\* amending the  
“New Jersey Property-Liability Insurance Guaranty Association  
Act,” P. L. 1974, c. 17\*, and supplementing Title 17 of the Revised  
Statutes and Title 17B of the New Jersey Statutes\*.

1 BE IT ENACTED by the Senate and General Assembly of the State  
2 of New Jersey:

1 \*1. (New section) Any insurer writing any coverage to which  
2 the provisions of R. S. 17:17-1 apply, any hospital service corpora-  
3 tion established pursuant to the provisions of P. L. 1938, c. 366  
4 (C. 17:48-1 et seq.), any medical service corporation established  
5 pursuant to the provisions of P. L. 1940, c. 74 (C. 17:48A-1 et seq.),  
6 or any health service corporation established pursuant to the pro-  
7 visions of P. L. 1985, c. 236 (C. 17:48E-1 et seq.) may offer group  
8 or individual policies or contracts which provide benefits for  
9 hospital and medical services for pets, provided that these services  
10 are provided by a veterinarian licensed pursuant to chapter 16 of  
11 Title 45 of the Revised Statutes or by the laws of any other state.  
12 The policy or contract may provide for exclusions or deductibles,  
13 or both. As used in this section, “pet” means any domesticated  
14 animal normally maintained in or near the household of the owner  
15 thereof.

1 2. (New section) Any insurer may offer group or individual  
2 policies or contracts which provides benefits for hospital and  
3 medical services for pets, provided that these services are provided  
4 by a veterinarian licensed pursuant to chapter 16 of Title 45 of

**EXPLANATION**—Matter enclosed in bold-faced brackets [thus] in the above bill  
is not enacted and is intended to be omitted in the law.

Matter printed in italics thus is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

\*—Assembly committee amendments adopted June 11, 1987.

5 *the Revised Statutes or by the laws of any other state. The policy*  
 6 *or contract may provide for exclusions or deductibles, or both. As*  
 7 *used in this section, "pet" means any domesticated animal normally*  
 8 *maintained in or near the household of the owner thereof.*

1 3. (New section) *If any application or any rate filing for any*  
 2 *policy or contract of insurance to be written pursuant to sections 1*  
 3 *or 2 of this act is pending as of the effective date of this act, the*  
 4 *commissioner shall either approve such application or filing within*  
 5 *90 days of the enactment of this act or report to the Legislature*  
 6 *the reasons for his disapproval of the filing or application.\**

1 \***[1.]**\* \*4.\* Section 2 of P. L. 1974, c. 17 (C. 17:30A-2) is amended  
 2 to read as follows:

3 2. a. The purpose of this act is to provide a mechanism for the  
 4 payment of covered claims under certain insurance policies, to avoid  
 5 excessive delay payment, to avoid financial loss to claimants or  
 6 policyholders because of the insolvency of an insurer, to assist in  
 7 the detection and prevention of insurer insolvencies, and to provide  
 8 an association to assess the cost of such protection among insurers.

9 b. This act shall apply to all kinds of direct insurance, except  
 10 life insurance, accident and health insurance, workers' compensation  
 11 insurance, title insurance, annuities, surety bonds, credit insurance,  
 12 mortgage guaranty insurance, municipal bond coverage, fidelity  
 13 insurance, investment return assurance, ocean marine insurance,  
 14 *pet health insurance*, and insurance provided by the Motor Vehicle  
 15 Liability Security Fund, established pursuant to P. L. 1952, c. 175  
 16 (C. 39:6-92 et seq.), until funds comprising said fund are declared  
 17 exhausted by the commissioner.

1 \***[2.]**\* \*5.\* This act shall take effect immediately.

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## INSURANCE—GENERAL

Provides for pet property-casualty and health insurance.

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**ASSEMBLY, No. 4037**  
**STATE OF NEW JERSEY**

INTRODUCED MAY 18, 1987

By Assemblyman FRANKS and Assemblywoman CRECCO

AN ACT concerning pet health insurance and amending the "New Jersey Property-Liability Insurance Guaranty Association Act," P. L. 1974, c. 17.

1    BE IT ENACTED *by the Senate and General Assembly of the State*  
2    *of New Jersey:*

1    1. Section 2 of P. L. 1974, c. 17 (C. 17:30A-2) is amended to  
2    read as follows:

3    2. a. The purpose of this act is to provide a mechanism for the  
4    payment of covered claims under certain insurance policies, to avoid  
5    excessive delay payment, to avoid financial loss to claimants or  
6    policyholders because of the insolvency of an insurer, to assist in  
7    the detection and prevention of insurer insolvencies, and to provide  
8    an association to assess the cost of such protection among insurers.

9    b. This act shall apply to all kinds of direct insurance, except  
10   life insurance, accident and health insurance, workers' compensation  
11   insurance, title insurance, annuities, surety bonds, credit insurance,  
12   mortgage guaranty insurance, municipal bond coverage, fidelity  
13   insurance, investment return assurance, ocean marine insurance,  
14   *pet health insurance*, and insurance provided by the Motor Vehicle  
15   Liability Security Fund, established pursuant to P. L. 1952, c. 175  
16   (C. 39:6-92 et seq.), until funds comprising said fund are declared  
17   exhausted by the commissioner.

1    2. This act shall take effect immediately.

*Matter printed in italics thus is new matter.*

**STATEMENT**

**This bill conserves the resources and preserves the integrity of the "New Jersey Property-Liability Insurance Guaranty Association Act," by excluding pet health insurance from the applicability of the act.**

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**INSURANCE—PROPERTY AND CASUALTY**

**Excludes pet health insurance from the "New Jersey Property-Liability Insurance Guaranty Association Act."**

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ASSEMBLY INSURANCE COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 4037**

with Assembly committee amendments

**STATE OF NEW JERSEY**

DATED: JUNE 11, 1987

As amended by the Assembly Insurance Committee, this bill would create a statutory basis for the sale in New Jersey of pet health insurance. It would permit property-casualty insurers, health service, medical service, and hospital service corporations, and commercial life and health insurance companies to offer this coverage if they so chose. The bill provides that if an application or rate filing is pending before the Department of Insurance at the time of enactment, the Commissioner of Insurance must either approve it within 90 days or notify the Legislature his reasons for rejecting the application or filing. The bill would also exclude pet health insurance from the New Jersey Property-Liability Guaranty Association. This would mean that if an insurer became insolvent, policyholders who had pet insurance would not have their claims covered by the association.

Various applications have been pending in the Department of Insurance for the offering in this State of pet health insurance. This insurance is written in 48 states, but is not an approved line in New Jersey. A. M. Best Company, in an article on pet insurance, identified a potential market of 100 million pets in the United States; of that number, Best estimated that a possible 15% to 25% of that market was predisposed to buy this type of insurance.

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SENATE LABOR, INDUSTRY AND PROFESSIONS  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 4037**

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**STATE OF NEW JERSEY**

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DATED: OCTOBER 26, 1987

This bill, as amended, would create a statutory basis for the sale in New Jersey of pet health insurance. It would permit property-casualty insurers, health service, medical service, and hospital service corporations, and commercial life and health insurance companies to offer this coverage if they so chose. The bill provides that if an application or rate filing pertaining to the provision of pet health insurance is pending before the Department of Insurance at the time of enactment the Commissioner of Insurance must either approve it within 90 days or notify the Legislature of his reasons for rejecting the application or filing. The bill would also exclude pet health insurance from the New Jersey Property-Liability Insurance Guaranty Association. This would mean that if an insurer became insolvent, policyholders who had pet insurance would not have their claims covered by the association.