

STATE OF VERMONT  
INSURANCE DIVISION

**PET INSURANCE CERTIFICATION CHECKLIST**

<b>Policy Provision</b>	<b>REFERENCE</b>	<b>COMMENTS</b>
<b>Binding Arbitration/Binding Appraisal</b>	Department requirement	Mandatory binding arbitration or appraisal is not permitted if the process can be demanded unilaterally, as it deprives the Insured access to the judiciary system. Both parties must agree to arbitration or appraisal at the onset or beginning of the process. If the carrier is going to utilize the American Arbitration Association, they are required to use consumer rules to resolve the dispute.
<b>Brackets</b>	Department Requirement	Extensive use of [brackets] throughout a form is not approvable as it would allow for substantive language changes than what has been filed for approved.
<b>Breeding or Incidental Occurrences of Pregnancy</b>	Department requirement	The department requires that if the policy excludes medical expenses resulting from pregnancy, there must be a disclosure provided to the insured prior to purchase. There are some pet owners who do not intend to breed their animals yet choose not to spay or neuter their pets.
<b>Disclosure</b>	Department Requirement	Any pet insurance filing must include an explanation of how coverages and exclusions are disclosed to consumers prior to purchase.
<b>Cancellation Practices</b>	Title 8 § 3879-3883	The carrier may not cancel and re-issue a policy when the customer alters his or her coverage. Such practices are considered a violation of Title 8 § 3879-3883. It is not a customer's intention to cancel an entire policy when modifying a portion of coverage by purchasing an endorsement or reduction the amount of coverage provided. Cancellation of a policy meaning the immediate termination of the entire policy and all the coverage offered with it.
<b>Cancellation, Non-Renewal, Renewal</b>	Title 8 § 3879-3883	Applicable to all Pet Insurance policies.
<b>Coverage Suspension</b>	Department Requirement	Coverage for new or existing claims may not be suspended due to non-payment of premium. Coverage is considered in place until the policy cancels or non-renews.
<b>Conformity to Law</b>	Department Requirement	Currently, the Department request that you replace your policy language for the following language: Any provision of this policy, which is in direct conflict with the laws, regulations and statutes of the state of Vermont, will be governed by the laws, regulations and statutes of the state of Vermont as of the effective date of this policy
<b>Fraud Warnings</b>	Department Requirement	Please revise the fraud warning on the Application form. Vermont does not allow a fraud warning to state that a person who makes false statements on an application "commits" a fraudulent insurance act since the question of guilt is a determination for a court. As an alternative, it would be acceptable to use the following warning: "Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law."
<b>Medical Expenses</b>	Department Requirement	Any description of medical expenses must use the words "reasonable" or "necessary". Vermont will not accept any description that utilizes the term "usual" or "customary".
<b>Medical Waste Fees (aka "Non-Veterinary Fees")</b>	Department Requirement	The Department does not allow the exclusion of fees such as medical waste fees, in other words those that might not be directly a result of the medical treatment of the covered animal for a covered loss. Our position is that this is an unavoidable cost associated with necessary medical treatments for a covered cause of loss and it should be covered by this insurance.
<b>Misrepresentation &amp; Fraud Policy Language – Voiding Policy</b>	Title 8 § 3879 and § 4711	Applicable to all lines. If an Insured obtains a policy through fraud or material misrepresentation, that policy may be voided. For fraud or material misrepresentation in the presentation of a claim, the claim may be denied and the policy may be cancelled but not voided.
<b>Pre-Existing medical conditions</b>	Department Requirement	Definitions of pre-existing conditions cannot include injuries or illnesses that were not discovered, diagnosed or treated by a veterinarian. Also, pre-existing conditions cannot include signs or evidence of potential manifestation or injury and/or illness masked or controlled by medication beyond 6 months prior to the policy effective date.
<b>Pregnancy/non-sterilization exclusions</b>	Department Requirement	We will not allow the insurer to exclude resulting pregnancy or any other medical injuries, illness or conditions preventable with sterilization if there is medical proof that performing the procedure would have the potential to cause life-threatening complications.
<b>Premium Recovery</b>	Department Requirement	Insurers may not deduct unpaid premiums from any claim payments owed to the insured for a covered loss.
<b>Reducing of Adding Coverage</b>	Department Requirement	Carriers may not terminate and issue a new a policy when a customer increases or decreases his or her coverage. Such practices are in violation of Title 8 Section 3879.
<b>Settlement and payment of loss</b>	Regulation 79-2	After settlement has been agreed upon, the insurer shall mail payment in the agreed amount to the claimant and/or loss payee within 10 working days.

<b>Vet Examination Fees (aka "Exam Fees")</b>	Title 8 § 3542	Vermont does not approve of "veterinary examination fees" being excluded. These are standard fees charged by all veterinary practices and customers are unable to avoid these charges or negotiate them with a veterinarian when bringing their pets in for medical care.
<b>Annual Trend Factors</b>	Department Requirement	The Department does not allow insurers to include annual trend factors in their rate manuals.
<b>Vermont Amendatory Endorsement(s)</b>	Regulation I-2010-03, Section 7(I)	If the requirement is satisfied in a previous filing and that filing contains an amendatory endorsement please provide a copy of the endorsement.

**\*The checklist requirement, if applicable, must be satisfied in the submitted filing itself or satisfied in a previous filing that will be used with the submitted filing (e.g., a Vermont amendatory endorsement). If the requirement is satisfied in a previous filing that will be used with the submitted filing, you must provide the state tracking number and approval date of the previous filing. (Source: Regulation I-2010-3, Property and Casualty Insurance Filing Procedures, Section 6(G)(2)(e) and Section 7(I)).**