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Celebrating Animals | Confronting Cruelty

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January 19, 2017

Mr. Greg Welker, CFE
Antifraud & Producer Licensing Program Manager
Market Regulation Department
National Association of Insurance Commissioners
1100 Walnut Street, Suite 1500
Kansas City, MO 64106

RE: Limited Lines Standard Regarding Non-Core Pet Health Insurance

Dear Mr. Welker:

The Humane Society of the United States (“The HSUS”) is writing to express its concern about the Producer Licensing (EX) Working Group’s consideration of revising the Uniform Licensing Standards #37 Standards for Non-Core Limited Lines to eliminate the pet insurance limited license line.

Millions of Americans share their lives with cats and dogs. The human animal bond crosses all cultural and socioeconomic boundaries. The HSUS works to remove barriers to care, and is focused on keeping pets and families together. Pet insurance being available and accessible to the broadest range of people, via the most channels as possible, can play a pivotal role in assuring those families stay intact.

And while there are nearly 80 million American households with companion pets, millions of animals still find themselves in shelters each year. The HSUS and sheltering organizations throughout the United States fight every day to achieve positive outcomes for those animals with a second chance at life in a new home. In spite of those efforts, many pets do not leave animal shelters alive. Furthermore, families have several means of acquiring a pet and shelters are forced to compete with less humane practices such as puppy mills and irresponsible breeders.

One of the primary challenges in getting animals into new homes and keeping them there is the concern over high costs of veterinary care. Newly adopted pets quickly become loved family members and yet many are returned to shelters or released unattended back into the community as a result of difficult financial decisions forced by the lack of widely available companion animal pet protection to assist in funding medical costs. And, not only does the shelter assume the financial burden of care and medical treatment, a valuable kennel space is no longer available to accept other homeless animals. Unfortunately, there are common misperceptions about the



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health of shelter pets, many of whom land in the shelter with no known medical history. Coupled with the beliefs that “there must be something wrong with them to be in a shelter”, many potential adopters think there will be a higher, long-term cost of care associated with adopting from a shelter. This can present a monumental challenge to shelter directors in their efforts to rehome these worthy pets.

Pet insurance is the best option to help pet owners address this problem because it makes adoption more attractive, and greatly reduces pet returns for costs of medical care.

It is not a viable option for employees at shelters, or veterinary practices, or other pet care providers to obtain and maintain a full license as a property and casualty insurance agent, when all they want to offer is one single type of coverage. Without a limited line option, the substantial majority of shelters and animal care providers simply cannot offer pet insurance, and more pets are sadly destroyed.

In the interests of full disclosure, Chuck Laue, a principal of Companion Protect, serves on the HSUS board of directors. Our position on this issue, however, is based solely on our view that access to pet insurance should be expanded rather than limited, and is independent from Mr. Laue or Companion Protect's interests.

We strongly urge the NAIC to maintain the option for states to add pet insurance as an optional non-core limited line of insurance.

Sincerely,

Kenny Lamberti

Vice President, Companion Animals