



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3595

Introduced 2/18/2025, by Rep. Joyce Mason

SYNOPSIS AS INTRODUCED:

215 ILCS 5/Art. XLVIII heading new
215 ILCS 5/1800 new
215 ILCS 5/1805 new
215 ILCS 5/1810 new
215 ILCS 5/1815 new
215 ILCS 5/1820 new
215 ILCS 5/1825 new

Amends the Illinois Insurance Code. Creates the Pet Insurance Article of the Code. Defines terms. Requires a pet insurer to disclose coverage exclusions, limitations, waiting periods, and other information. Provides that pet insurance applicants shall have the right to examine and return the policy, certificate, or rider to the company or an agent or insurance producer of the company within 30 days of its receipt and to have the premium refunded if, after examination of the policy, certificate, or rider, the applicant is not satisfied for any reason. Provides that a pet insurer may issue policies that exclude coverage on the basis of one or more preexisting conditions with appropriate disclosure to the consumer. Provides that a pet insurer may issue policies that impose waiting periods upon effectuation of the policy that do not exceed 30 days for illnesses or orthopedic conditions not resulting from an accident. Prohibits waiting periods for accidents. Provides that no pet insurer or insurance producer shall market a wellness program as pet insurance. Sets forth provisions concerning wellness programs sold by a pet insurer or insurance producer.

LRB104 08153 BAB 18201 b

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Insurance Code is amended by
5 adding Article XLVIII as follows:

6 (215 ILCS 5/Art. XLVIII heading new)

7 ARTICLE XLVIII. PET INSURANCE

8 (215 ILCS 5/1800 new)

9 Sec. 1800. Purpose and scope.

10 (a) The purpose of this Article is to promote the public
11 welfare by creating a comprehensive legal framework within
12 which pet insurance may be sold in this State.

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

19 (c) All other applicable provisions of this State's
20 insurance laws shall continue to apply to pet insurance,
21 except that the specific provisions of this Article shall
22 supersede any general provisions of law that would otherwise

1 be applicable to pet insurance.

2 (d) Nothing in this Article shall in any way prohibit or
3 limit the types of exclusions pet insurers may use in their
4 policies or require pet insurers to have any of the
5 limitations or exclusions described in this Article.

6 (e) Any person licensed in a major line of authority as an
7 insurance producer is authorized to sell, solicit, and
8 negotiate pet insurance.

9 (215 ILCS 5/1805 new)

10 Sec. 1805. Definitions. In this Article:

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

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

17 "Department" means the Department of Insurance.

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

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

23 "Preexisting condition" means any condition for which any
24 of the following are true prior to the effective date of a pet
25 insurance policy or during any waiting period:

1 (1) a veterinarian provided medical advice;
2 (2) the pet received previous treatment; or
3 (3) based on information from verifiable sources, the
4 pet had signs or symptoms directly related to the
5 condition for which a claim is being made.

6 "Preexisting condition" does not include a condition that
7 was covered under a preceding policy period prior to the
8 renewal so long as there was no break in the superseding policy
9 periods.

10 "Renewal" means to issue and deliver at the end of an
11 insurance policy period a policy that supersedes a policy
12 previously issued and delivered by the same pet insurer or
13 affiliated pet insurer and that provides types and limits of
14 coverage substantially similar to those contained in the
15 policy being superseded.

16 "Orthopedic conditions" refers to conditions affecting the
17 bones, skeletal muscle, cartilage, tendons, ligaments, and
18 joints. "Orthopedic conditions" include, but are not limited
19 to, elbow dysplasia, hip dysplasia, intervertebral disc
20 degeneration, patellar luxation, and ruptured cranial cruciate
21 ligaments. "Orthopedic conditions" do not include cancers or
22 metabolic, hemopoietic, or autoimmune diseases.

23 "Veterinarian" means an individual who holds a valid
24 license to practice veterinary medicine from the appropriate
25 licensing entity in the jurisdiction in which the individual
26 practices.

1 "Veterinary expenses" means the costs associated with
2 medical advice, diagnosis, care, or treatment provided by a
3 veterinarian, including, but not limited to, the cost of drugs
4 prescribed by a veterinarian.

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

8 "Wellness program" means a subscription or
9 reimbursement-based program that is separate from an insurance
10 policy that provides goods and services to promote the general
11 health, safety, or well-being of the pet.

12 (215 ILCS 5/1810 new)

13 Sec. 1810. Applicability of defined terms. If a pet
14 insurer uses any of the defined terms in Section 1805 in a
15 policy of pet insurance, the pet insurer shall use the
16 definition of each of those terms as set forth in Section 1805
17 and include the definition of the terms in the policy. The pet
18 insurer shall also make the definition available through a
19 clear and conspicuous link on the main page of the pet
20 insurer's website or the pet insurer's program administrator's
21 website.

22 (215 ILCS 5/1815 new)

23 Sec. 1815. Disclosures.

24 (a) A pet insurer transacting pet insurance shall disclose

1 the following to consumers:

2 (1) If the policy excludes coverage due to any of the
3 following:

4 (A) a preexisting condition;

5 (B) a hereditary disorder;

6 (C) a congenital anomaly or disorder; or

7 (D) a chronic condition.

8 (2) If the policy includes any other exclusions, by
9 including the following statement: "Other exclusions may
10 apply. Please refer to the exclusions section of the
11 policy for more information."

12 (3) Any policy provision that limits coverage through
13 a waiting or affiliation period, a deductible,
14 coinsurance, or an annual or lifetime policy limit.

15 (4) Whether the pet insurer reduces coverage or
16 increases premiums based on the insured's claim history,
17 the age of the covered pet, or a change in the geographic
18 location of the insured.

19 (5) If the underwriting company differs from the brand
20 name used to market and sell the product.

21 (b) Unless the insured has filed a claim under the pet
22 insurance policy, pet insurance applicants shall have the
23 right to examine and return the policy, certificate, or rider
24 to the company or an agent or insurance producer of the company
25 within 30 days of its receipt and to have the premium refunded
26 if, after examination of the policy, certificate, or rider,

1 the applicant is not satisfied for any reason.

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

7 "You have 30 days from the day you receive this policy,
8 certificate, or rider to review it and return it to the company
9 if you decide not to keep it. You do not have to tell the
10 company why you are returning it. If you decide not to keep it,
11 simply return it to the company at its administrative office
12 or you may return it to the agent/insurance producer that you
13 bought it from as long as you have not filed a claim. You must
14 return it within 30 days of the day you first received it. The
15 company will refund the full amount of any premium paid within
16 30 days after it receives the returned policy, certificate, or
17 rider. The premium refund will be sent directly to the person
18 who paid it. The policy, certificate, or rider will be void as
19 if it had never been issued."

20 This subsection (b) does not apply to renewals.

21 (c) A pet insurer shall clearly disclose a summary
22 description of the basis or formula on which the pet insurer
23 determines claim payments under a pet insurance policy within
24 the policy, both prior to policy issuance and through a clear
25 and conspicuous link on the main page of the pet insurer's
26 website or the pet insurer's program administrator's website.

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

3 (1) clearly disclose the applicable benefit schedule
4 in the policy; and

5 (2) disclose all benefit schedules used by the pet
6 insurer under its pet insurance policies through a clear
7 and conspicuous link on the main page of the pet insurer's
8 website or the pet insurer's program administrator's
9 website.

10 (e) A pet insurer that determines claim payments under a
11 pet insurance policy based on usual and customary fees or any
12 other reimbursement limitation based on prevailing veterinary
13 service provider charges shall:

14 (1) include a usual and customary fee limitation
15 provision in the policy that clearly describes the pet
16 insurer's basis for determining usual and customary fees
17 and how that basis is applied in calculating claim
18 payments; and

19 (2) disclose the pet insurer's basis for determining
20 usual and customary fees through a clear and conspicuous
21 link on the main page of the pet insurer's website or the
22 pet insurer's program administrator's website.

23 (f) If any medical examination by a licensed veterinarian
24 is required to effectuate coverage, the pet insurer shall
25 clearly and conspicuously disclose the required aspects of the
26 examination prior to purchase and disclose that examination

1 documentation may result in a preexisting condition exclusion.

2 (g) Waiting periods and the requirements applicable to the
3 waiting periods shall be clearly and prominently disclosed to
4 consumers prior to the policy purchase.

5 (h) The pet insurer shall include a summary of all
6 disclosures required by this Section in a separate document
7 titled "Insurer Disclosure of Important Policy Provisions".
8 The pet insurer shall post the document by way of a clear and
9 conspicuous link on the main page of the pet insurer's website
10 or the pet insurer's program administrator's website.

11 In connection with the issuance of a new pet insurance
12 policy, the pet insurer shall provide the consumer with a copy
13 of the Insurer Disclosure of Important Policy Provisions
14 document required under this subsection (h) in at least
15 12-point type when it delivers the policy.

16 (i) At the time a pet insurance policy is issued or
17 delivered to a policyholder, the pet insurer shall include a
18 written disclosure with the following information, printed in
19 12-point boldface type:

20 (1) The Department's mailing address, toll-free
21 telephone number, and website address.

22 (2) The address and customer service telephone number
23 of the pet insurer or the agent or broker of record.

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

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

4 (215 ILCS 5/1820 new)

5 Sec. 1820. Policy conditions.

6 (a) A pet insurer may issue policies that exclude coverage
7 on the basis of one or more preexisting conditions with
8 appropriate disclosure to the consumer. The pet insurer has
9 the burden of proving that the preexisting condition exclusion
10 applies to the condition for which a claim is being made.

11 (b) A pet insurer may issue policies that impose waiting
12 periods upon effectuation of the policy that do not exceed 30
13 days for illnesses or orthopedic conditions not resulting from
14 an accident. Waiting periods may not be applied to renewals of
15 existing coverage. Waiting periods for accidents are
16 prohibited.

17 (1) A pet insurer using a waiting period shall include
18 a provision in its contract that allows the waiting
19 periods to be waived upon completion of a medical
20 examination. Pet insurers may require the examination to
21 be conducted by a licensed veterinarian after the purchase
22 of the policy.

23 (A) A medical examination shall be paid for by the
24 policyholder, unless the policy specifies that the pet
25 insurer will pay for the examination.

1 (B) A pet insurer may specify elements to be
2 included as part of the examination and require
3 documentation thereof, provided the specifications do
4 not unreasonably restrict a consumer's ability to
5 waive the waiting periods by completing a medical
6 examination.

7 (2) Waiting periods and the requirements applicable to
8 them shall be clearly and prominently disclosed to
9 consumers prior to the policy purchase.

10 (c) A pet insurer shall not require a veterinary
11 examination of the covered pet for the insured to have the
12 policy renewed.

13 (d) If a pet insurer includes any prescriptive, wellness,
14 or noninsurance benefits in the policy form, then such
15 benefits are made part of the policy contract and shall follow
16 all applicable laws and rules adopted under this Code.

17 (e) An insured's eligibility to purchase a pet insurance
18 policy shall not be based on participation or lack of
19 participation in a separate wellness program.

20 (215 ILCS 5/1825 new)

21 Sec. 1825. Sales practices for wellness programs.

22 (a) No pet insurer or insurance producer shall market a
23 wellness program as pet insurance.

24 (b) If a wellness program is sold by a pet insurer or
25 insurance producer:

1 (1) The purchase of the wellness program shall not be
2 a requirement for purchasing pet insurance.

3 (2) The costs of the wellness program shall be
4 separate and identifiable from any pet insurance policy
5 sold by a pet insurer or insurance producer.

6 (3) The terms and conditions for the wellness program
7 shall be separate from any pet insurance policy sold by a
8 pet insurer or insurance producer.

9 (4) The products or coverages available through the
10 wellness program shall not duplicate products or coverages
11 available through the pet insurance policy.

12 (5) The advertising of the wellness program shall not
13 be misleading and shall be in accordance with this
14 Section.

15 (6) A pet insurer or insurance producer shall clearly
16 disclose the following to consumers, printed in 12-point
17 boldface type:

18 (A) That wellness programs are not insurance.

19 (B) The address and customer service telephone
20 number of the pet insurer or producer or broker of
21 record.

22 (C) The Department's mailing address, toll-free
23 telephone number, and website address.

24 (c) Coverages included in the pet insurance policy
25 contract described as wellness benefits are insurance.