



SPOTLIGHT ON:

What the veterinary profession should know regarding insurance licensing requirements

Executive Summary

It's important that veterinarians and their teams have confidence in what they can and cannot do when it comes to discussing insurance to their clients.

It's fine to:

- Ask every pet owner who their medical insurance provider is at check-in
- Make a recommendation to call provider(s) with any specific questions
- Share personal experiences related to the speed of claims, the ease of claims submission or the customer service
- Issue Exam Day Offers or display brochures, so long as there is no solicitation, negotiation or selling.

As the category of medical insurance for cats and dogs accelerates its growth in the United States, we at Trupanion have been receiving questions from veterinarians and their staff about insurance licensing regulations.

Our decision to be transparent is deliberate. We are committed to our work within the veterinary industry, and it is our intention to provide support and transparency to allow veterinarians and their staff to speak with confidence when talking about insurance, as well as remedy any misinformation on the subject.

Before we dive into the questions, we thought it would be helpful to you to explain the regulations so you and your teams can be informed and educated with the facts.

What veterinarians and their staff **may do**:

1. Ask clients at check-in: **“Who provides the medical insurance for your pet?”** This simple question drives increased treatment compliance and acceptance for medical insurance for pets. In fact this is what happened in the dental industry to generate compliance of care. If a client already has insurance, you may help them with their claims process.
2. Recommend the concept of medical insurance if you believe it is in your clients' best interests. Veterinarians and their staff are among the most trusted professionals, and responsible pet owners will continue to ask your opinion about how a pet owner should best budget for their pet becoming sick or injured.
3. Inform clients that there are many insurance options in the marketplace.
4. Suggest that your clients should ask for information from the different companies that provide medical insurance for pets to ensure pet owners obtain all pertinent information to make an informed decision. For example:
 - a. What is covered and what is not, including congenital or hereditary conditions?
 - b. How does the claims process work, including whether claims are reimbursed to the pet owner after paying out-of-pocket, or paid to the veterinary hospital directly?

Respond to questions about a given company with **facts** based on your personal experiences related to service or customer care. Good examples could be to reference a fast claims experience or 24/7 customer care.

Applying the regulations in practice

There are many ways that a hospital team can integrate the care of insured pets into their workflow. Staying familiar with the basic rules and regulations of what you should not do will increase the confidence of the team as they become increasingly familiar with treating an insured client base.

It's important to recognize that medical insurance for pets is regulated by each individual state, but as a general matter the concepts related to the do's and don'ts of insurance apply across-the-board.

At the highest level, veterinarians and their staff **may not**:

Sell, solicit, or negotiate insurance unless they are a licensed insurance producer in their State.

What does this mean in practice?

Using New York as an example, the New York Insurance Code Section 2012 (a)(1)(A) provides the following definition:

*"No person, firm, association or corporation shall act as an **insurance producer**, insurance adjuster or life settlement broker in this state without having authority to do so by virtue of a license issued and in force pursuant to the provisions of this chapter."*

The key point to focus on here is what it means to be an "insurance producer"? New York defines an insurance producer in Section 2101(k) as:

*"An insurance agent, title insurance agent, insurance broker, reinsurance intermediary, excess lines broker, or any other person required to be licensed under the laws of this state to **sell, solicit or negotiate** insurance."*

The areas underlined below are where there are common misinterpretations of insurance code — which is why regulators define these specific activities too:

Sell

The New York Insurance Code Section 2101(n) defines "sell" as :

"Exchange a contract of insurance for money on behalf of an insurer."

One can conclude from this rule that veterinarians or their staff, who are not licensed, **may not** receive premiums from a pet owner to pay for insurance.

Solicitation

New York Section 2101(o) defines a "solicitation" as:

"Attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular licensed insurer, fraternal benefit society or health maintenance organization."

Therefore, veterinarians or their staff, who are not licensed, **may not** directly ask or urge a pet owner to apply for a particular kind of insurance from a particular licensed insurer. Trupanion has licensed representatives available 24/7 to speak with pet owners about enrolling for coverage. Veterinarians should advise their clients on responsible pet ownership, including the value of high quality medical insurance. Veterinarians also may recommend that pet owners speak to one or more providers for additional information, if they do not already have coverage.

Negotiate

New York's definition of negotiate: Section 2101(m) is:

"Conferring directly or offering advice directly to a prospective purchaser regarding any of the substantive terms and conditions of the contract."

Therefore, veterinarians or their staff, who are not licensed, **may not** go into specific product and policy details about the coverage of any specific company.

Frequently Asked Questions

To help apply some context and clearly demonstrate how these rules can be interpreted, below are some of the more frequently asked questions and Trupanion's responses: ¹

- **Can I discuss the general benefits of insurance?**

Yes. Insured pet owners visit their local veterinarian more frequently and are more likely to authorize your recommended treatment if they are not paying the entire bill themselves. We are a long way from insurance becoming the norm (think about going to your dentist where it is the first question asked), and we view veterinarians as playing an important role in explaining the benefits of protecting pets against unexpected accidents or illnesses.

- **Can I give my clients an Exam Day Offer?**

Yes. Exam Day Offers have been approved by Departments of Insurance. The Exam Day Offers are often sent directly by Trupanion using Trupanion's patented software, which puts the information directly in the hands of the pet owner, or are provided in hard copy format at a hospital. The Offers provide pet owners with information about how to contact Trupanion if they want to activate the Offer. As such, they are a great way to appropriately introduce the concept of medical insurance for a pet, along with the other information you give owners of puppies and kittens.

- **Can I make brochures available to my clients?**

Absolutely. A brochure is a way to introduce pet owners to insurance and we encourage you to put brochures in your waiting room for all programs you and your teams personally feel good about.

- **Can I talk about specific coverage (for example, Company A covers congenital and hereditary conditions but Company B does not)?**

No, this could be considered "negotiating". While reiterating your personal experiences about how you have interacted with a particular company is fine, you should leave the details of the coverage and explanations of the details to a licensed insurance professional.

That said, without discussing any particular company's coverage or restrictions, you can generally encourage your clients to seek out the insurance that best meets their needs.

- **Can we discuss our experiences related to an individual company's customer service?**

Yes. Letting pet owners know about your experience dealing with a specific company's services is different than discussing specific policy terms. It is okay to talk about your experience with a specific company service, for example talking about an ability to pay a hospital directly, discussing the call center availability and timeliness of responses to questions, as long as you do not go into details related to policy coverage. (As a reminder, a person without a valid producers license should not cover a specific company's policy details).

¹ Please note that this is our attempt to provide you helpful generalized information. We have drafted this in conjunction with an outside law firm. While this information might concern legal or regulatory issues, please do not consider it legal advice.

- **Are Trupanion's Territory Partners licensed?**

Being a Territory Partner does not require a license because Territory Partners are not required to sell, solicit, or negotiate Trupanion directly to pet owners. That said, some Territory Partners do elect to become licensed so that if they interact directly with a pet owner about the subject of insurance they can do so without needing to be concerned about whether a conversation involves a solicitation. Ultimately, for a pet owner to enroll, they need to either visit a website or speak directly to the insurance company.

- **Could an insurance company pay a veterinarian or their staff based on a client enrolling with that company?**

No. Insurance regulations expressly prohibit sharing commissions with someone who is not a licensed insurance agent.

- **Could an insurance company pay an unlicensed individual or entity for providing a lead?**

Yes. It is permissible to pay an unlicensed person a modest fee for a lead, provided there was not any selling, solicitation or negotiating, and so long as the payment was made for each lead regardless of whether the lead purchased insurance. Examples of where insurance companies commonly pay for leads include Google, Facebook, TV and radio.

- **Could an insurance company pay a hospital for aiding in a claims submission?**

Yes. For example, helping expedite the claims process can be compensated, if services have been provided by the veterinarian or a hospital employee.

Working with insurance should be simple. We hope this guide helps to overcome any concerns and answers questions.

