

**STATE OF MAINE
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
BUREAU OF INSURANCE**

IN RE:

American Pet Insurance Company
NAIC Company Code: 12190
Maine License No. PCF204502

Docket No. INS-18-223

**CONSENT AGREEMENT
AND ORDER**

American Pet Insurance Company (“APIC” or “the Company”), the Superintendent of the Maine Bureau of Insurance (the “Superintendent”), and the Office of the Maine Attorney General (the “Attorney General”) hereby enter into this Consent Agreement pursuant to 10 M.R.S. § 8003(5)(B) to resolve, without resort to an adjudicatory proceeding, violations of the Maine Insurance Code. As set forth in more detail below, a market conduct investigation has identified violations of the Maine Insurance Code related to the licensing and appointment of producers.

STATUTORY AUTHORITY

1. Under 10 M.R.S. § 8003(5)(A-1) and 24-A M.R.S. § 12-A, the Superintendent may issue a warning, censure or reprimand to a licensee, may suspend, revoke or refuse to renew the license of a licensee; may impose conditions of probation on a licensee; may levy a civil penalty against a licensee; or may take any combination of such actions in response to the licensee’s violation of any insurance law, rule, regulation, subpoena or order of the Superintendent.
2. Pursuant to 10 M.R.S. § 8003(5)(B), the Superintendent may resolve an investigation without further proceedings by entering into a consent agreement with a licensee and with the consent of the Attorney General.

STATEMENT OF FACTS

3. The Superintendent is the State official charged with administering and enforcing Maine's insurance laws and regulations, and the Bureau of Insurance is the administrative agency with such jurisdiction.
4. The Superintendent has jurisdiction over this matter pursuant to the powers set forth in the Insurance Code generally, as well as the specific provisions of 24-A M.R.S. §§ 12-A and 211 and 10 M.R.S. § 8003.

5. APIC has been licensed in Maine as a property and casualty insurance company since 2012, holding Maine Certificate of Authority number PCF204502. Its NAIC Code is 12190 and it is domiciled in New York.
6. APIC underwrites pet health insurance in all 50 states plus Washington D.C. and Puerto Rico through General Agency agreements with its affiliate Trupanion Managers USA, Inc. (TMUI) and two non-affiliated general agencies, PetPartners, Inc. (PPI) and Pets Best Insurance Services, LLC (PBI).
7. TMUI (Maine License #AGN204657), PPI (Maine License #AGN142605), and PBI (Maine License #AGN132255) were licensed as agencies in Maine at the time of all relevant events.¹
8. The Market Conduct Division of the Maine Bureau of Insurance began an investigation into APIC's activities in Maine in December of 2017.
9. Maine's investigation revealed that APIC issued 987 new policies to Maine consumers through its producers from January 1, 2016, through April 30, 2018.
10. Of those 987 policies, 258 were sold by unlicensed individuals, and APIC paid a commission to those individuals based on the unlicensed sales.
11. Additionally, 326 policies were sold by producers who had not been appointed by APIC.

VIOLATIONS OF LAW

12. 24-A M.R.S. § 1445(1)(D) states that an insurer "is accountable and may be penalized by the superintendent, as provide for in this Title, for the actions of its producers."
13. 24-A M.R.S. § 1420-B states that "[a] person may not sell, solicit or negotiate insurance in this State for any class or classes of insurance unless the person is licensed for that line of authority in accordance with this subchapter."
14. As set forth in paragraph 10, APIC committed 258 violations of the Maine Insurance Code by selling its policies through unlicensed individuals.
15. 24-A M.R.S. § 1420-L(1) states that "[a]n insurance company or insurance producer may not pay a commission, service fee, brokerage or other valuable consideration to a person for selling, soliciting or negotiating insurance in this State if that person is required to be licensed under this subchapter and is not so licensed."
16. As set forth in paragraph 10, APIC committed 258 violations of the Maine Insurance Code by paying commissions to individuals for unlicensed sales.

¹ PPI was acquired by the IHC Group in March of 2017 and the agency stopped issuing new and renewal policies in Maine on behalf of APIC on October 17, 2017.

17. 24-A M.R.S. § 1420-M(1) states that “[a]n insurance producer, including a nonresident producer acting pursuant to a national nonresident producer license issued through the National Association of Registered Agents and Brokers, may not act as an agent of an insurer unless the insurance producer becomes an appointed agent of that insurer.”
18. As set forth in paragraph 11, APIC committed 326 violations of the Maine Insurance Code by selling its policies through individuals who were not appointed as its agents.

COVENANTS

19. APIC agrees to the Statement of Facts and Violations of Law stated above and agrees that such actions make it subject to disciplinary action.
20. APIC accepts as disciplinary action the imposition of a civil penalty in the amount of Twenty-Five Thousand Dollars (\$25,000). No later than sixty (60) days after executing this Consent Agreement, APIC will remit to the Maine Bureau of Insurance a company check in the amount of Twenty-Five Thousand Dollars (\$25,000) payable to the Treasurer of the State of Maine.
21. APIC agrees that all policies sold in Maine will be sold by appointed insurance producers who hold Maine licenses.
22. The parties to this Consent Agreement understand that nothing herein shall affect any right or interest which any person not a party to this Agreement may possess.
23. This Consent Agreement is not subject to appeal. APIC waives any right it might have to appeal any matter that is a subject of this Consent Agreement.
24. This Consent Agreement constitutes an Order of the Superintendent. A violation of its terms is enforceable by the Superintendent pursuant to 24-A M.R.S. §§ 12-A and 215.
25. This Consent Agreement is also enforceable by an action in Maine Superior Court pursuant to 24-A M.R.S. § 214, 10 M.R.S. § 8003(5)(B), and 14 M.R.S. § 3138.
26. This Consent Agreement may be modified only by a written agreement executed by all of the parties hereto. Any decision to modify, continue or terminate any provision of this Consent Agreement rests in the discretion of the Superintendent and the Attorney General.
27. This Consent Agreement is a public record subject to the provisions of the Maine Freedom of Access law, 1 M.R.S. §§ 401-414; will be available for public inspection and copying as provided for by 1 M.R.S. § 408-A; and will be reported to the National Association of Insurance Commissioners’ “RIRS” database.

28. By the duly-authorized signature of its representative on this Consent Agreement, APIC warrants that it has consulted with counsel before signing the Consent Agreement or has knowingly and voluntarily decided to proceed in this matter without consulting counsel, that it understands this Consent Agreement, and that it enters into the Consent Agreement voluntarily and without coercion of any kind from any person.

29. In return for APIC's execution of and compliance with the terms of this Consent Agreement, the Superintendent and the Attorney General agree to forego pursuing further disciplinary measures or other civil or administrative sanctions arising under the Maine Insurance Code for the specific conduct described in this Consent Agreement, other than those sanctions agreed to herein. However, should APIC fail to comply with or violate this Consent Agreement, it may be subject to any available remedy under the law for such a failure or violation.

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AMERICAN PET INSURANCE COMPANY

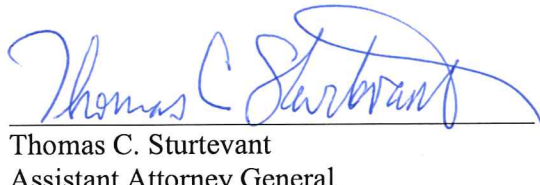
Dated: December 14, 2018



Name: Gavin Friedman
Title: General Counsel & ~~CEO~~ Secretary

FOR THE OFFICE OF THE ATTORNEY GENERAL

Dated: January 2, 2019 v2018



Thomas C. Sturtevant
Assistant Attorney General

THE MAINE SUPERINTENDENT OF INSURANCE

Dated: Jan 2, ²⁰¹⁹2018



Eric A. Cioppa
Superintendent