

No. **2021-6644**

**Official Order
of the
Texas Commissioner of Insurance**

Date: 01/11/2021

Subject Considered:

Trupanion Managers USA, Inc.
6001 4th Avenue South, Suite 200
Seattle, Washington 98108

Consent Order
TDI Enforcement File No. 16974

General remarks and official action taken:

This is a consent order with Trupanion Managers USA, Inc. (Trupanion). Trupanion, previously named Vetinsurance Managers, Inc. (Vetinsurance), used unlicensed individuals to write pet insurance policies in Texas. Trupanion has agreed to pay an administrative penalty of \$75,000.

Waiver

Trupanion acknowledges that the Texas Insurance Code and other applicable law provide certain rights. Trupanion waives all of these rights, and any other applicable procedural rights, in consideration of the entry of this consent order.

Findings of Fact

Licensure and Appointment

1. Trupanion, firm identification no. 9588590, is a nonresident general lines agency with a property and casualty qualification, issued by the Texas Department of Insurance on February 14, 2008.

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Unlicensed Call Center Employees

2. Trupanion, doing business as Vetinsurance, allowed 87 unlicensed employees to sell 937 pet insurance policies to Texas consumers for a 17-month period.
3. Trupanion represents that it has come into compliance with Texas insurance laws, and all employees selling pet insurance policies to Texas residents in the company's call center are now properly licensed by the department.
4. Trupanion has entered into consent orders based on the sale of pet insurance policies by its unlicensed employees with the insurance regulators of the following states: Louisiana, Massachusetts, New York, Maine, and California.
5. Trupanion notified all U.S. insurance regulators, including the department, of disciplinary action taken against it in a timely manner by self-reporting through the National Insurance Producer's Registry.

Unlicensed Sales Agents

6. During the course of its investigation, the department was made aware of Trupanion's use of unlicensed sales agents known as "Territory Partners" to engage veterinary clinics and hospitals for the purpose of having them advertise Trupanion's products.
7. Trupanion represented to the department that Territory Partners have the following job responsibilities: (1) initiate and maintain relationships with area veterinary clinics; (2) promote the insurance products sold by Trupanion; (3) request that the veterinary clinics display Trupanion's product advertisements; and (4) conduct meetings with the veterinary clinics to help them familiarize themselves with the products.
8. Territory Partners acted as insurance agents when they disseminated the information regarding Trupanion's coverage and rates to the veterinary clinics and hospitals, which would then be advertised in the vet offices to pet owners.

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9. The Territory Partners were also paid commission-based wages for their sales activities. The Territory Partners were paid a flat fee based on the number of sales of individual pet insurance policies in their territory.
10. Because the sales activities and commission-based wages fall under conduct that constitutes the business of insurance, Trupanion was instructed by the department that their sales agents would need to be licensed as well.
11. Trupanion represented to the department that all Territory Partners are now licensed agents in the State of Texas.

Conclusions of Law

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 101.051, 4001.002, 4005.101, 4005.102, and 4051.051, and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056; TEX. INS. CODE §§ 36.104 and 82.055; and 28 TEX. ADMIN. CODE § 1.47.
3. Trupanion has knowingly and voluntarily waived all procedural rights to which it may have been entitled regarding the entry of this order, including, but not limited to, issuance and service of notice of intention to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.
4. Trupanion employed individuals who sold pet insurance policies without holding a license or authorization from the department in violation of TEX. INS. CODE §§ 101.051, 4001.101, 4051.051, and 4005.101.

Affidavit

STATE OF Washington §

COUNTY OF King §

Before me, the undersigned authority, personally appeared Jessica Walder who being by me duly sworn, deposed as follows:

"My name is Jessica Walder. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

I hold the office of Associate General Counsel, and am the authorized representative of Trupanion Managers USA, Inc. I am duly authorized by said organization to execute this statement.

Trupanion Managers USA, Inc. has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the state of Texas."

Jessica Walder
Affiant

SWORN TO AND SUBSCRIBED before me on December 7, 2020.

(NOTARY SEAL)



Amanda Fenter
Signature of Notary Public

Amanda Fenter
Printed Name of Notary Public