

**STATE OF VERMONT  
DEPARTMENT OF FINANCIAL REGULATION**

IN RE: )  
TRUPANION MANAGERS USA, INC. and ) DOCKET NO. 21-032-I  
AMERICAN PET INSURANCE COMPANY )  
)

**STIPULATION AND CONSENT ORDER**

WHEREAS, the Vermont Department of Financial Regulation (the “Department”) asserts that Trupanion Managers USA, Inc., and American Pet Insurance Company (collectively, the “Respondents”) have violated the terms of the Stipulation and Consent Order dated November 20, 2019, Docket No. 19-049-I (the “2019 Order”); and

WHEREAS, Respondents and the Department wish to resolve these violations without further administrative proceedings or litigation;

NOW, THEREFORE, Respondents and the Department stipulate and agree to the terms and conditions in this Stipulation and Consent Order.

**STATEMENT OF FACTS**

1. Trupanion Managers USA, Inc. (“Trupanion”) is a foreign insurance agency based in Seattle, Washington and licensed in Vermont. Trupanion holds licenses NPN #9588590 and Vermont license #825440.
2. American Pet Insurance Company (“APIC”) is a foreign insurance company domiciled in New York state and licensed in Vermont (NAIC #12190). APIC is affiliated with Trupanion.
3. Louis Chames was named in the 2019 Order, but as of June 2021, Mr. Chames is no longer a principal of APIC or an employee of Trupanion. Mr. Chames does continue to serve as Trupanion's designated responsible licensed producer (NPN #8835274, Vermont license #573756).

4. The Department and Respondents entered into the 2019 Order on November 20, 2019, to settle issues relating to Respondents' pet insurance producing and claims administration practices in Vermont from the years 2015 to 2018.
5. As part of the 2019 Order, Respondents agreed to take a number of corrective actions including: (1) providing the Department a certification, on or before December 31, 2019, that all Vermont pet insurance claims are processed by duly licensed insurance adjusters; and (2) providing the Department, on or before January 31, 2020, with a list of all of adjusters who have been duly licensed in Vermont.
6. Respondents failed to provide the Department with the certification that claims are processed only by licensed adjusters and the list of such adjusters within the timeframes set forth in the 2019 Order.
7. In response to a written inquiry from the Department, Respondents provided the required certifications on June 28, 2021.

#### **DESCRIPTION OF VIOLATIONS**

8. The Commissioner of Financial Regulation is responsible for administering and enforcing the insurance laws of the State of Vermont and is authorized to investigate insurance companies to determine compliance with Vermont law and issue orders imposing remedial actions and civil administrative penalties, pursuant to 8 V.S.A. §§ 10-15 and 3661.
9. In the 2019 Order, Respondents acknowledged that the 2019 Order was a valid order duly rendered by the Commissioner and agreed to be fully bound by it.
10. Respondents failed to comply with the following terms of the 2019 Order: (1) providing the Department a certification, on or before December 31, 2019, that all Vermont pet insurance claims are processed by duly licensed insurance adjusters; and (2) providing the Department,

on or before January 31, 2020, with a list of all of adjusters who have been duly licensed in Vermont.

11. Respondents were otherwise compliant with the 2019 Order. Specifically, Respondents have had Trupanion phone sales agents licensed with Vermont producers' licenses since 2018 and have had Vermont claims routed to Vermont-licensed claims adjusters since 2019.
12. In the 2019 Order, Respondents acknowledged that noncompliance with any term of the order would constitute a violation of a lawful order of the Commissioner and acknowledged that, should they fail to comply with any provision of the 2019 Order, the Commissioner would be entitled to impose additional sanctions and seek appropriate relief.
13. Pursuant to 8 V.S.A. § 3661, the Commissioner may impose a civil administrative penalty for each violation of Title 8, an administrative rule of the Department, or an order of the Commissioner relating to insurance, of up to \$1,000 per violation or \$10,000 per willful violation.

#### **CONSENT ORDER**

14. Within 30 calendar days of the entry of this Stipulation and Consent Order by the Commissioner, Respondents shall pay an administrative penalty of \$5,000. Payment shall be made via wire or check made payable to the "Department of Financial Regulation" and mailed to:

Attn: Beth Sides  
Department of Financial Regulation  
Insurance Division  
89 Main Street  
Montpelier, VT 05620-3101

15. Respondents acknowledge and admit the jurisdiction of the Commissioner over the subject matter of this Stipulation and Consent Order.


16. With respect to the facts and violations identified herein, Respondents waive their right to a hearing before the Commissioner or the Commissioner's designee and waive their right to all other administrative or judicial review otherwise available under Vermont law, including the rules of the Vermont Department of Financial Regulation and the provisions of 3 V.S.A., Chapter 25.
17. This Stipulation and Consent Order is entered into solely for the purpose of resolving the violations identified herein, and it is not intended for any other purpose.
18. Respondents understand all terms and conditions in this Stipulation and Consent Order, consent to the entry of this Stipulation and Consent Order, and acknowledge that their consent is given freely and voluntarily and that, except as set forth herein, no promise was made to induce Respondents' consent.
19. Noncompliance with any of the terms and conditions in this Stipulation and Consent Order shall be a violation of a lawful order of the Commissioner and a violation of the laws of the State of Vermont and may result in additional administrative action and the imposition of injunctive relief, sanctions, and additional penalties pursuant to applicable provisions of Title 8, including provisions imposing enhanced penalties for willful violations.
20. Nothing herein shall be construed as limiting the Commissioner's ability to investigate Respondents for violations not resolved herein or to respond to and address any consumer complaints made with regard to Respondents.
21. Nothing herein shall be construed as having relieved, modified, or in any manner affected Respondents' ongoing obligation to comply with all federal, state, or local statutes, rules, and regulations applicable to Respondents.
22. Nothing herein shall be construed as limiting any private right of action a person may have.

23. This Stipulation and Consent Order shall be governed by and construed under the laws of the State of Vermont.

**SIGNATURES**

The terms and conditions set forth in this Stipulation and Consent Order are hereby stipulated and agreed to. I certify under the pains and penalties of perjury that I have taken all necessary steps to obtain the authority to bind Trupanion Managers USA, Inc. to this Stipulation and Consent Order and that I have been duly authorized to enter into this Stipulation and Consent Order on behalf of Trupanion Managers USA, Inc.


TRUPANION MANAGERS USA, INC.

By:   
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Gavin Friedman  
General Counsel

Date: August 25, 2021

The terms and conditions set forth in this Stipulation and Consent Order are hereby stipulated and agreed to. I certify under the pains and penalties of perjury that I have taken all necessary steps to obtain the authority to bind American Pet Insurance Company to this Stipulation and Consent Order and that I have been duly authorized to enter into this Stipulation and Consent Order on behalf of American Pet Insurance Company.

AMERICAN PET INSURANCE COMPANY


By:   
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Gavin Friedman  
General Counsel

Date: August 25, 2021

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The terms and conditions set forth in this Stipulation and Consent Order are hereby stipulated, agreed to, and ordered.

DEPARTMENT OF FINANCIAL REGULATION

By:   
Michael S. Pieciak  
Commissioner of Financial Regulation  
Vermont Department of Financial Regulation

Date: August 26<sup>th</sup>, 2021