

MARKET CONDUCT EXAMINATION
Of
AMERICAN PET INSURANCE COMPANY

**907 NW BALLARD WAY
SEATTLE, WA 98107**

July 1, 2013 – June 30, 2014



Order No. 15-0213
American Pet Insurance Company, Inc.
Exhibit A

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The Honorable Mike Kreidler

Washington State Insurance Commissioner
302 14th Avenue SW
P.O. Box 40258
Olympia, Washington 98504-0258

Dear Commissioner Kreidler:

Pursuant to your instructions and in compliance with the statutory requirements of Chapter 48.37 RCW and procedures promulgated by the National Association of Insurance Commissioners (NAIC) and the Office of the Insurance Commissioner (OIC), an examination of the market conduct affairs has been performed on the following Company:

American Pet Insurance Company NAIC # 12190

In this report, the above entity is referred to as the Company and "APIC".

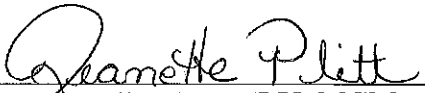
This report of examination is respectfully submitted.

CHIEF EXAMINER'S REPORT CERTIFICATION and ACKNOWLEDGEMENTS

This examination was conducted in accordance with Office of Insurance Commissioner and National Association of Insurance Commissioners market conduct examination procedures. Ned Gaines, MPP, AIC, AINS and Michael Vaughan, AIE, CPCU of the Washington State Office of Insurance Commissioner performed this examination and participated in the preparation of this report.

The examiners wish to express appreciation for the courtesy and cooperation extended by the personnel of American Pet Insurance Company during the course of this market conduct examination.

I certify that this document is the report of the examination, that I have reviewed this report in conjunction with pertinent examination work papers, that this report meets the provisions for such reports prescribed by the Office of Insurance Commissioner, and that this report is true and correct to the best of my knowledge and belief.


Jeanette Plitt, AIE, CLU, MCM
Chief Market Conduct Examiner
Office of the Insurance Commissioner
State of Washington

FOREWORD

This examination was completed by applying tests to each examination standard. Each test applied during the examination is stated in this report and the results are reported. Exceptions are noted as part of the comments for the applied test. Throughout the report, where cited, RCW refers to the Revised Code of Washington, and WAC refers to Washington Administrative Code.

Scope

Time Frame

The examination covered the Company's operations from July 1, 2013 through June 30, 2014. This was the first market conduct examination of American Pet Insurance Company by the Washington OIC. This examination was performed both in the Company's office in Seattle, Washington and in the Seattle office of the Insurance Commissioner.

Matters Examined

The examination included a review of the following areas of operation:

- Company Operations and Management
- Complaints
- Marketing and Sales
- Producer Activity
- Form and Rate Filing
- Policy Administration and Underwriting

SAMPLING STANDARDS

Methodology

In general, the sample for each test utilized in this examination falls within the following guidelines:

95 %	Confidence Level
+/- 5 %	Mathematical Tolerance

These are the guidelines prescribed by the National Association of Insurance Commissioners in the Market Conduct Examiners Handbook and the Market Regulation Handbook. At times, alternate tolerance levels are applied. When this occurs, it is noted in the appropriate section.

Random samples were developed utilizing the NAIC approved ACL® sampling program. The Examiners did not use ACL to select samples on small data populations. An explanation is provided whenever the Examiners used an alternate method to select samples. These files were reviewed against the applicable standards for each section of the examination.

REGULATORY STANDARDS

Market conduct samples are tested for compliance with standards established by the OIC. The tests applied to sampled data result in an error ratio, which determines whether or not a standard is met. If the error ratio found in the sample is, generally, less than 5%, the standard will be considered as met. If an alternate standard is applied, then the tolerance levels will be stated in that section.

For those standards which look for the existence of written procedures, or a process to be in place, the standard will be met based on the examiners' analysis of those procedures or processes. The analysis will include a determination of whether or not the Company follows established procedures.

Standards will be reported as Passed (without Comment), Passed with Comment or Failed. The definition of each category follows:

Passed	There were no findings for the standard.
Passed with Comment	Errors in the records reviewed fell within the tolerance level for that standard.
Failed	Errors in the records reviewed fell outside of the tolerance level established for the standard.

EXECUTIVE SUMMARY

Background

The Office of the Insurance Commissioner (OIC) began monitoring market conduct events for American Pet Insurance Company (APIC) through the Continuum process in 2013 due to the use of non-licensed producers to market and sell its pet insurance product. Additionally, during the course of its Market Analysis work, the OIC found that the Company did not use its full legal name in its business operations. By June 2014 the Company had not worked towards resolving the licensing issues and additional events occurred that were of concern to the OIC.

As a result of the Company's lack of resolution to the issues of concern, the OIC called a targeted market conduct examination of American Pet Insurance Company on July 15, 2014. The focus of the examination was to address the following concerns:

- Continued use of non-licensed producers to market and sell Pet Insurance.
- Failure to disclose the legal company name in all areas of Company operations.
- Use of the brand name "Trupanion" in a way that implies it is an insurance company.
- Use of policy forms not filed with or approved by the OIC.
- Offering discounts that were not part of the OIC approved rate filing.

The examination covers company operations from July 1, 2013 through June 30, 2014 focusing on Company Operations and Management, Complaints, Marketing and Sales Activities, Rate and Form Filings, and Policy Administration and Underwriting.

Examination Overview Summary

The Examiners noted deficiencies with the Company's oversight of insurance operations, complaint handling practices, marketing and sales materials, producer activities, rate and form filings, and policy administration and underwriting practices.

American Pet Insurance Company confirmed all administrative or service functions, including marketing and sales, customer service, policy administration, underwriting, accounting, rate and form filing, and IT were handled through the use of administrative service and property agreements with its licensed agencies, Trupanion Managers USA, Inc., and PetPartners, Inc. During the course of this examination all documentation submitted to the Examiners was provided by the two agencies on behalf of APIC.

Company Operations and Management

During the examination period the Company demonstrated a lack of adequate controls in all areas of operations reviewed. The majority of violations noted were the direct result of programs implemented by the Customer Service Contact Center, Information Technology and the Marketing department, with no Legal/Compliance oversight. The Company verified that no formal or informal audit policies or procedures were in place during the examination period. Each Company business unit was responsible for its own operations with limited communication between departments related to compliance or legal issues.

The Examiners found multiple violations regarding the use of APIC's legal name. These include the Company's failure to use its legal name on all system generated correspondence to policyholders, marketing materials that did not include the Company's full legal name and marketing of the brand name "Trupanion" in a way as to indicate that "Trupanion" was the name of the insurance company.

The Examiners also noted that the Company did not have established record retention policies and procedures. In some cases, they were unable to produce records because they failed to keep policy documents for more than five (5) months. In some cases, employees used their work email to maintain and hold policy documents and file notes rather than store them in a central location under general record retention standards.

Although it did not appear intentional in most cases, some of the practices established by the Company appeared to be discriminatory. For example, even though it was not listed as an underwriting qualification, the Company only issued policies to people with email addresses. The Company allowed waiving and refunding of policy enrollment fees for reasons other than as filed. The Company also allowed Customer Service Representatives to refund all or part of a premium payment to settle disputes or complaints without regard to rate filings.

Complaints

The Examiners reviewed all available complaints submitted by consumers to APIC during the examination period. The complaints were processed by the licensed producer through which the policies were initially sold, either Trupanion Managers USA, Inc. or PetPartners, Inc.

The complaint records for policies issued through Trupanion Managers USA, Inc. were handled in a timely fashion. Complaint records for policies issued through PetPartners, Inc. were not available to the Examiners. PetPartners, Inc. confirmed they did not maintain complaint logs or track direct consumer complaints.

Consumer complaints received by the OIC during the examination period were for Trupanion Managers USA, Inc. policies only. The Company failed to respond to the OIC in a timely fashion on 1/3 of the OIC's complaint inquiries.

Marketing and Sales

During the examination period APIC utilized the Trupanion Managers USA, Inc. agency to create and distribute all of the marketing and sales material for its Trupanion policy, while the materials for its PetPartners policies were created and distributed by PetPartners, Inc.

The Examiners' review noted significant violations of marketing and sales material for both the Trupanion policy and for PetPartners, Inc. policy forms. The violations included instances of false, deceptive and misleading information contained in the materials such as use of the phrase "Trupanion is unlike any other pet insurance company out there." and "Trupanion is a mono-line insurance company." Marketing materials included verbiage indicating that discounts are available but the discounts were not filed with their rates, and were applied in a discriminatory manner. The violations were applicable to both the Trupanion and PetPartners marketed products.

Producer Activity

The Company used several channels to market and sell its pet insurance policies. The primary channels were through its two appointed agencies, Trupanion Managers USA, Inc. and PetPartners, Inc. Both agencies were licensed as Washington producers. None of the call center representatives who actually solicited and sold policies to consumers were licensed as producers in WA nor were they appointed with the Company.

As part of the examination process, the Examiners reviewed recordings of consumer sales calls. The Examiners confirmed that the call center employees were actively engaged in the process of selling and soliciting insurance and were therefore required to be licensed. The Examiners could find no records showing that the call center staff were ever licensed or appointed producers in WA. This was true for both Trupanion and PetPartners.

Form Filings

During the examination period the Company's form filings were handled by Trupanion Managers USA, Inc. for the Trupanion and the PetPartners policies.

The Examiners found that the Company issued policy forms that differed from the filed and approved forms submitted to the OIC.

Rate Filing

During the examination period the Company's rate filings were handled by Trupanion Managers USA, Inc. for the Trupanion and the PetPartners policies.

The Examiner's review determined that the Company issued policies using rates other than those filed and approved. For example, the Company allowed management to waive and refund policy premium for other reasons than those that were filed with the OIC. In addition, for PetPartners, the Company knowingly issued policies from November 1, 2012 through November 4, 2013 with unfiled rates.

Policy Administration and Underwriting

For Trupanion policies, the Examiner's found instances where the Company continued policy coverage after an insured no longer held an insurable interest in a pet covered under the policy such as when a pet died or when the policy owner no longer owned the pet.

The Examiners noted cases where the Company failed to provide complete policy documentation to policyholders. It was also noted that the Company did not follow Washington policy cancellation laws and rules consistently.

The Company failed to provide 100% of its policyholders with the required initial and annual privacy notices.

The Examiner's review did not reveal any policy administration and underwriting violations on the Company's PetPartners book of business.

EXAMINATION FINDINGS

COMPANY OPERATIONS AND MANAGEMENT

History of the Company:

American Pet Insurance Company is a New York domiciled property and casualty insurance company. The Company was originally domesticated in New York under the name of Nipponkoa Insurance Company of America on March 31, 2001 and was licensed on April 1, 2001.

On July 1, 2006, Nipponkoa Insurance Company of America transferred all policy and non-policy obligations to Nipponkoa Japan and Nipponkoa Management Corporation. As of the date of the transfer the Company was licensed as a property and casualty insurance carrier in 23 states.

On April 25, 2007 Nipponkoa was purchased by Vetinsurance International, Inc., a Delaware company, for \$13,200,000. On May 29, 2007 the Company's name was changed to American Pet Insurance Company. The Company began writing pet health insurance for dogs and cats in the 23 states it was licensed in beginning January 2008 through its affiliate and licensed agency, Vet Insurance Managers, Inc. (d/b/a Trupanion), an Arizona corporation. Vetinsurance International, Inc. was the parent company for both American Pet Insurance Company (insurer) and Vet Insurance Managers, Inc. (agency). In February 2014, in preparation of Vetinsurance International, Inc. going public, a name change was processed for Vetinsurance International, Inc. and Vet Insurance Managers, Inc. With the name change, Vetinsurance International, Inc. became Trupanion, Inc. and Vet Insurance Managers, Inc. became Trupanion Managers USA, Inc.

As of the beginning of the examination period, July 1, 2013, APIC was licensed in 50 states, Washington D.C., Puerto Rico and Canada. The Company is authorized to write multiple lines of property and casualty insurance. In practice the Company only sold a single inland marine product, pet health insurance.

The Company continues to delegate administrative and service functions to its two licensed agencies, Trupanion Managers USA, Inc., and PetPartners, Inc. The agencies handle all sales, policy servicing and claim functions on behalf of APIC. Additionally, all business interactions between APIC and PetPartners, Inc. are handled by Trupanion Managers USA, Inc. Each of the agencies offers distinct policies underwritten by APIC. Trupanion Managers USA, Inc. is the Company's primary agency. The Company's "Trupanion" branded product is the only policy available through Trupanion Managers USA, Inc. and accounts for the majority of the Company's policies in force.

Ownership:

American Pet Insurance Company is a wholly owned subsidiary of Trupanion, Inc., a Delaware corporation, and is managed by a Board of Directors (BOD) made up of fourteen (14) members. Directors serve one (1) year terms. Directors are reappointed each year by the Board of Directors of Trupanion Inc. The following individuals were APIC Directors during the examination period.

Board Member	Affiliation	Original Appointment Date	Term Expiration Date
Darryl Rawlins	American Pet Insurance Company	April 2007	April 2015
Tim Graff	American Pet Insurance Company	June 2012	June 2015
Mike Banks	American Pet Insurance Company	April 2007	April 2015
Louis Chames	American Pet Insurance Company	April 2007	April 2015
Peter Beaumont	Yorkshire Management LLC	April 2007	April 2015
Paul Dassenko	Azure Advisors, Inc.	April 2007	April 2015
John Kramer	Retired	April 2007	April 2015
Dan Levitan	Maveron LLC	April 2007	April 2015
Murray Low	Columbia University	April 2007	April 2015
Mike Lucciola	QVE.LLC d/b/a Get VEQ.com	April 2007	April 2015
Howard Rubin	Independent Consultant	April 2010	April 2015
Mort Spitzer	Retired	April 2007	April 2015
Jim Steen	Retired	April 2007	April 2015
Jennifer Steindler	Hugo Boss USA	April 2007	April 2015

Corporate Records

The Company is domiciled in New York, NY however all records are housed at the Seattle, WA offices of the Company's agency, Trupanion Managers USA, Inc. All business operations are conducted out of these offices as well.

Territory and Plan of Operations

The Company is registered with the Office of the Insurance Commissioner as a property and casualty insurance company. The lines of authority for the Company are Casualty, Disability, Marine and Transportation, Property, Surety and Vehicle however, the Company sells a single product, pet health insurance, a type of transportation insurance called inland marine.

During the examination period the Company operated in 50 states, Washington D.C. and Puerto Rico.

The Examiners did not find any evidence the Company operated outside of its licensed authority.

Internal Audit

The Examiners were unable to conduct a review of the Company's internal audit practices. The Company did not have internal audit procedures, even informal ones, in place during the examination period.

The failure of the Company to audit the activities and business functions of the agencies acting on its behalf, placed the Company at significant regulatory and financial risk.

Findings:

A total of four (4) Company Operations and Management standards were reviewed by the Examiners. The Company was found to possess a valid Washington Certificate of Authority and consistently filed an annual fraud report. All four (4) company operations and management standards passed without comment. (See page 47 for a list of these standards)

GENERAL EXAMINATION STANDARDS

The Company's records and operations were reviewed to determine if the Company does business in accordance with the requirements of this state's laws and regulations.

The examination call letter sent to the Company included a request for data/information that was to be ready for Examiner review when the on-site work began. The Examiners experienced delays in obtaining complete and accurate data to facilitate the examination process. The Company was unable to provide all requested information due to issues with its file documentation and records retention practices.

The Company uses three different computer software programs, all of which have policy records and documents stored in them. Additionally, Company employees used their work email to correspond with policyholders and management regarding policy issues. These emails are not consistently placed in any of the three programs nor are file notes entered to document the existence of an email or its contents.

Findings:

The Examiners reviewed eight (8) general examination standards. Standards 3, 4, 5 and 6 passed without comment and standards 1, 2, 7 and 8 failed. There is a zero tolerance for each of the general examination standards. (See pages 47 - 48 for a complete list of these standards)

#	General Examination Standard	Reference
1	Every insurer shall conduct its business in its own legal name.	RCW 48.05.190(1)
2	Every insurer shall keep full and adequate accounts and records of its assets, obligations, transactions, and affairs.	RCW 48.05.280
7	No insurer shall make or permit any unfair discrimination between insureds or subjects of insurance having substantially like insuring risk, and exposure factors, and expense elements, in the terms or conditions of any insurance contract, or in the rate or amount of premium charged therefor, or in the benefits payable or in any other rights or privileges accruing thereunder.	RCW 48.18.480
8	It is an unfair practice for an insurer to fail to respond promptly to any inquiry from the insurance commissioner relative to the business of insurance.	WAC 284-30-650

Standard #1: This standard fails due to following:

- The Company confirmed that 100% of email notices sent to policyholders failed to disclose the Company's legal name of American Pet Insurance Company.
- The Examiners observed that when a consumer called into the Company's Customer Service Contact Center the opening electronic greeting stated "Thank you for calling Trupanion, insurance for your pet".

Subsequent event: Effective November 2014 the Company changed the electronic greeting to state "Thank you for calling Trupanion. Underwritten by American Pet Insurance Company".

- Customer Service Contact Center sales employees failed to disclose during sales transactions the name of the insurer, American Pet Insurance Company, or that they were speaking to a Trupanion Managers USA, Inc. agency employee. The Examiners noted this on 100% of the twenty four (24) call recordings reviewed and for all twenty three (23) of the calls heard while call shadowing seven (7) CSRs.
- Out of two hundred twenty one (221) pieces of advertising material reviewed fifty two (52) (23.5%) failed to disclose the legal company name.
- Out of two hundred twenty one (221) pieces of advertising reviewed, fifty three (53) (24%) contained language that indicated the name of the insurance company was Trupanion.
- Out of eleven (11) PetPartners claim checks reviewed, 100% failed to list the name of the insurer.
- The Company consistently presented the registered trademark brand name Trupanion in a way that insinuated it was the insurance Company. Even when American Pet Insurance Company was disclosed more often than not it was not prominently displayed while the brand name was highlighted.

(See Appendix 1, pages 58 – 59)

Standard #2: This standard fails due to the Company failing to maintain adequate accounts and records:

- The Company was unable to provide the sales call recording for three (3) out of twenty four (24) (12.5%) call samples.
- The Company does not maintain complete policy documents past a five (5) month period. The primary policy communication mechanism was email. Those emails included attachments such as the Declarations Page, Amendatory Endorsements and the Policy Contract. The attachments were stored for a period of five (5) months. After five (5) months the attachments were deleted from the system. The Company did not have adequate processes and procedures in place to produce the documents sent to policyholders.

- Out of ninety nine (99) policy administration and underwriting review samples, the Company was unable to provide notice of cancellation confirmation for ten (10) (10%) files.
- The Company cannot ensure that a policy file is complete and accurate due to the use of multiple customer contact systems and the fact that individual employees maintain customer contact documents in their individual email accounts.

(See Appendix 2, page 60)

Standard #7: This standard fails due the Company allowing practices that did not treat all consumers in an equitable manner.

- The Company implemented policies that did not allow consumers who did not provide an email address to purchase a policy even if they met all other underwriting criteria. The Company does not state in their approved form filing with the OIC that having an email is a requirement to qualify for a policy. The Company would assist the consumer to create an email through one of the free services such as Google or Yahoo. If a customer did not own a computer APIC suggested they go to their local library to access the email account. The Company did have an informal process for mailing policy documents to customers without email as the Examiners noted two (2) instances where the CSR did so. When the Examiners inquired further, the Company stated that the definitive policy was to not issue a policy without a valid email address. The Company confirmed there was no formal process in place to mail policy documents to those consumers who did not possess a personal email account.
- The Company allowed management the ability to waive and refund the policy enrollment fee of \$25 for reasons not filed with the OIC. Per the Company's approved rate filing the only provision for waiving the fee is when an existing policyholder added a new pet to their policy. Per the Examiners' review and the Company's admission, the fees are waived for various other reasons, including to "close a sale". Waived fees are only tracked by the Company at policy inception due to computer system parameters. The Company stated that the fee was waived on about 2% of all new policies and provided a list of two hundred sixteen (216) policies where the enrollment fee was waived. By waiving the fee for some consumers but not others the Company is acting in a discriminatory manner.
- The Company marketed discounts on the enrollment fee in the amount of \$10 and \$15. The Marketing Department distributed emails offering the discount to consumers who obtained a quote on the Company's agency website but did not purchase a policy. The

discounts are unfairly discriminatory since they are not offered to all consumers equally, with many consumers not offered the discounts at all.

- The Company allowed its Customer Service Contact Center employees the ability to refund premium in order to resolve policyholder complaints. The Examiners noted fourteen (14) policies where premium was waived. The Company did not have parameters in place for when and how much premium refund was allowed. The decision to issue premium refunds were processed in an unfairly discriminatory way based on the discretion of the Contact Center employee.

Subsequent Event: Effective December 2014, APIC informed all Customer Service Contact Center employees that they can no longer waive or refund any policy premium, including the policy enrollment fee. The Company has implemented a monthly review process to confirm that no one in the Contact Center issued a premium credit to a policyholder.

(See Appendix 3, pages 61 – 62)

Standard #8: This standard failed due to the Company responding late on nine (9) out of twenty nine (29) (31%) Information Requests submitted by the Examiners during the on-site examination and for responding late to two (2) OIC consumer complaint inquiries during the examination period.

(See Appendix 4, page 63)

COMPLAINT ACTIVITY

The examiners conducted a review of the Company's complaint handling procedures. The examiners reviewed complaint files for compliance with Title 48 RCW and Title 284 WAC.

The Company provided a list of all complaints it received, during the examination period, directly from consumers and all complaints it received through the OIC. The Examiners compared the Company's complaint files against the OIC's complaint records only for complaints filed against the Company by consumers through the OIC.

Complaints File Review

The Examiners obtained a list of one hundred two (102) complaints received by the Company, during the examination period, directly from consumers, and a list of six (6) complaints received from the OIC.

From the list of one hundred two (102) direct consumer complaints the Examiners deleted fourteen (14) complaints related to billing. The Examiners then selected twenty two (22) complaint files for review against the complaint standards by manually selecting every fourth file from the list provided by the Company. All six (6) OIC complaints were reviewed. To compare the file samples against the complaint standards the Examiners reviewed all relevant file documentation. The Examiners also requested a copy of the Company's complaint handling processes and procedures and its definition of a complaint.

When complaints are received by the Company, they are directed to the Customer Service Contact Centers (Contact Center) of either Trupanion Managers USA, Inc. or PetPartners, Inc. The staff in these units do many thing, including resolution of complaints.

Findings:

During the examination period the Company did not have formal complaint handling processes and procedures or a clearly defined definition of a complaint. The Company provided a document that outlined nine (9) talking points on how to handle an unsatisfied policyholder. The document had been distributed to Contact Center employees for reference. The talking points are generic in nature and offer suggestions on diffusing an angry policyholder situation but do not constitute formal processes and procedures for complaint handling.

The complaint file review was completed only on the Trupanion policy book of business. The Examiners were unable to review any complaint files for the PetPartners book of business since, during the examination period, PetPartners did not track direct consumer complaints or have a definition of what constituted a complaint. None of the six (6) complaints received by the OIC involved a PetPartners policy.

The Examiners reviewed four (4) complaint standards. Standard 2 passed without comment; standards 1, 3, and 4 failed. (See pages 48 – 49 for a complete list of these standards)

#	Complaint Standards	Reference
1	Upon receipt of any inquiry from the commissioner concerning a complaint, every insurer must furnish the commissioner with an adequate response to the inquiry within fifteen working days after receipt of the commissioner's inquiry.	WAC 284-30-360 (2)
3	It is an unfair practice for an insurer to fail to respond promptly to any inquiry from the insurance commissioner relative to the business of insurance.	WAC 284-30-650

#	Complaint Standards	Reference
4	To assist the commissioner in identifying the legal name of the insurer, insurers' written communications to the commissioner in response to any investigation, inquiry, enforcement matter or examination must include the insurer's NAIC code.	WAC 284-30-670 (5)

The twenty two (22) complaints received by the Company directly from consumers passed all four standards. The Examiners did note that whenever a response was sent to a policyholder regarding a filed complaint, the email failed to list the name of the insurer and instead was sent under the trade name of Trupanion.

Standard #1: A total of two (2) (33%) of the six (6) OIC complaint samples failed this standard because the Company's complaint responses to the OIC were not submitted within fifteen (15) working days of the OIC's inquiry.

Standard #3: A total of two (2) (33%) of the six (6) OIC complaint samples failed this standard due to the Company not providing a prompt response to the OIC.

Standard #4: A total of three (3) (50%) of the six (6) OIC complaint samples failed this standard due to the Company not including its legal name and NAIC code on consumer complaint responses to the OIC.

(See Appendix 5, page 64)

MARKETING AND SALES

The Examiners conducted a review of the Company's marketing and sales materials. The Examiners reviewed the marketing and sales materials for compliance with Title 48 RCW and Title 284 WAC.

The Company provided a copy of all marketing and sales materials in use during the examination period. The Examiners reviewed these materials against the marketing and sales standards for compliance.

Marketing and Sales Review

During the examination period the Company utilized its agency Trupanion Managers USA, Inc. to create and distribute all of the marketing and sales material for its Trupanion policy, while the materials for its PetPartners policies were created and distributed by PetPartners, Inc. The Company advised that there were no formal procedures in place during the examination period

for APIC to review the marketing materials created by PetPartners, Inc. prior to their use. The Company also confirmed there was limited oversight of the Trupanion Managers USA, Inc. marketing department by APIC compliance.

Trupanion Policy

The Company provided two hundred eighty three (283) pieces of marketing and sales materials for the Trupanion policy which included the following:

- a. Twenty Two (22) Web Banners
- b. Forty Three (43) Brochures and Flyers
- c. Fourteen (14) Trial Certificates
- d. Two (2) Direct Mailings
- e. One Hundred Ninety Seven (197) Emails
- f. One (1) Company Internet Homepage
- g. Five (5) Social Media Websites

The Examiners selected the first eighty nine (89) emails along with all of the remaining materials provided by the Company as samples for review.

Trupanion Marketing and Sales Findings

The Examiners reviewed nine (9) marketing and sales standards. Standards 4 and 5 passed without comment; standards 1, 2, 3, 6, 7, 8 and 9 failed. The percentage of violations for standards 1, 7 and 8 fall within the acceptable tolerance range per NAIC rules, but the OIC has a zero tolerance for violations of these standards. (See pages 49 - 51 for a complete list of these standards)

#	Marketing and Sales Standard	Reference
1	No person shall knowingly make, publish, or disseminate any false deceptive or misleading representation or advertising in the conduct of the business of insurance, or relative to the business of insurance or relative to any person engaged therein.	RCW 48.30.040
2	Every advertisement of, by, or on behalf of an insurer shall set forth the name in full of the insurer and the location of its home office or principal office, if any, in the United States.	RCW 48.30.050
3	No person who is not an insurer shall assume or use any name which deceptively infers or suggests that it is an insurer.	RCW 48.30.060

6	Except to the extent provided for in an applicable filing with the commissioner then in effect, no insurer, insurance producer, or title insurance agent, shall as an inducement to insurance, or after insurance has been effected, directly or indirectly, offer, promise, allow, give, set off, or pay to the insured or to any employee of the insured, any rebate, discount, abatement, or reduction of premium or any part thereof named in any insurance contract, or any commission thereon, or earnings, profits, dividends, or other benefit, or any other valuable consideration or inducement whatsoever which is not expressly provided for in the policy.	RCW 48.30.140(1) (Rebating)
7	This section shall not apply to advertising or promotional programs conducted by insurers, insurance producers, or title insurance agents whereby prizes, goods, wares, or merchandise, not exceeding twenty five dollars in value per person in the aggregate in any twelve month period, are given to all insureds or prospective insureds under similar qualifying circumstances.	RCW 48.30.140(4) (Rebating)
8	No insurer , insurance producer, title insurance agent, or other person, shall, as an inducement to insurance, or in connection with any insurance transaction, provide in any policy for, or offer, or sell, buy, or offer or promise to buy or give, or promise, or allow to, or on behalf of, the insured or prospective insured in any manner whatsoever: (c) Any prizes, goods, wares, or merchandise of an aggregate value in excess of twenty five dollars.	RCW 48.30.150(1)(c) (Illegal Inducement)
9	Insurers must transact business in their legal name – (3) When used in this regulation, "legal name" of the insurer means the name displayed on the Washington state certificate of authority issued by the commissioner. (4) Each insurer must have standards and procedures to ensure that each consumer with whom they conduct an insurance transaction is informed of and can consistently identify the legal name of the insurer. Each insurer must provide the insurance commissioner with its standards and procedures and proof of its compliance upon request. The insurer must be able to show the legal name was provided when issuing policy documents, billing statements, and other written communications regarding policy services,	WAC 284-30-670 (3) and (4)

underwriting, and claims and at the point during policy sales transactions when the company is determined
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Standard #1: A total of three (3) (1.78%) of the samples failed this standard due to advertising that contains false, deceptive and misleading information. Two (2) brochures contain the following statement: “Trupanion is unlike any other pet insurance company out there. And we’re proud of that.” One (1) flyer states the following: “Trupanion is a mono-line insurance company.” Both of these statements falsely state that Trupanion is an insurance company. In Washington neither Trupanion Inc., nor Trupanion Managers USA, Inc. hold a license as an insurer. Trupanion Managers USA, Inc. is licensed in Washington only as a producer.

Standard #2: A total of ninety three (93) (55.03%) of the samples failed this standard for either failing to use the legal Company name of American Pet Insurance Company or failing to list the Company’s domicile.

Standard #3: A total of fifty (50) (29.59%) of the samples failed this standard for failing to disclose the legal Company name of American Pet Insurance Company and utilizing the brand and agency name of Trupanion in a way that identified Trupanion as the name of the insurance company. The parent (holding) company is Trupanion, Inc. which is not licensed as an insurer in Washington. The Washington licensed producer (agency) is Trupanion Managers USA, Inc. however this name is never used in any of the advertisements. Additionally the Company’s pet insurance policy is branded under the name of Trupanion.

Standard #6: A total of twenty (20) (11.83%) of the samples failed this standard due to advertising a discount of the enrollment fee in the amount of either \$10 or \$15. The enrollment fee of \$25 is considered premium per the Company’s approved rate filing with no provisions for waiving or discounting the fee.

Standard #7: A total of six (6) (3.55%) of the samples failed this standard due to the Company advertising through email for existing 30 day trial certificate holders to sign up for a permanent policy with no additional payment required. The value of the policy premium is in excess of \$25. The Company confirmed there were no policies issued in Washington during the examination period under this program.

Standard #8: A total of four (4) (2.37%) of the samples failed this standard due to the Company advertising its Loyalty Program. Under the program policyholders earned points for referring new business to the Company and upon certain policy milestones. Points could be traded for a \$10 Amazon gift card upon the accumulation of 100 points. The Company did not place a limit on the number of points a policyholder could earn in a year or on the number of gift cards they

could receive. The Company confirmed that there were no Washington policyholders who received gift cards in excess of \$25 in value, during the examination period.

Standard #9: This standard failed due to the Company not having adequate processes and procedures in place to ensure that all marketing and sales materials included the legal name of the Company. Due to the lack of processes and procedures a total of forty seven (47) (28%) of the reviewed advertisements did not identify the Company's legal name.

(See Appendix 6, page 65)

PetPartners Policy

The Company provided fifty two (52) pieces of marketing and sales materials for the PetPartners policy which included the following:

- a. Thirty One (31) Emails
- b. Thirteen (13) Print Advertisements
- c. Seven (7) Digital Advertisements
- d. Agency Internet Homepage

All fifty two (52) pieces of marketing and sales materials were chosen as samples for review.

PetPartners Marketing and Sales Findings

The Examiners reviewed nine (9) marketing and sales standards. Standards 1, 3, 4, 5 and 8 passed without comment; standards 2, 6, 7 and 9 failed. (See pages 49 - 51 for a complete list of these standards)

#	Marketing and Sales Standard	Reference
2	Every advertisement of, by, or on behalf of an insurer shall set forth the name in full of the insurer and the location of its home office or principal office, if any, in the United States.	RCW 48.30.050
6	Except to the extent provided for in an applicable filing with the commissioner then in effect, no insurer, insurance producer, or title insurance agent, shall, as an inducement to insurance, or after insurance has been effected, directly or indirectly, offer, promise, allow, give, set off, or pay to the insured or to any employee of the insured, any rebate, discount, abatement, or reduction of premium or any part thereof named in any insurance contract, or any commission thereon, or earnings, profits, dividends, or other benefit, or	RCW 48.30.140(1) (Rebating)

	any other valuable consideration or inducement whatsoever which is not expressly provided for in the policy.	
7	This section shall not apply to advertising or promotional programs conducted by insurers, insurance producers, or title insurance agents, whereby prizes, goods, wares, or merchandise, not exceeding twenty five dollars in value per person in the aggregate in any twelve month period, are given to all insureds or prospective insureds under similar qualifying circumstances.	RCW 48.30.140(4) (Rebating)
9	Insurers must transact business in their legal name – (3) When used in this regulation, "legal name" of the insurer means the name displayed on the Washington state certificate of authority issued by the commissioner. (4) Each insurer must have standards and procedures to ensure that each consumer with whom they conduct an insurance transaction is informed of and can consistently identify the legal name of the insurer. Each insurer must provide the insurance commissioner with its standards and procedures and proof of its compliance upon request. The insurer must be able to show the legal name was provided when issuing policy documents, billing statements, and other written communications regarding policy services, underwriting, and claims and at the point during policy sales transactions when the company is determined	WAC 284-30-670 (3) and (4)

Standard #2: A total of five (5) (10%) of the samples failed this standard due to advertising that failed to list the legal name of the insurer, American Pet Insurance Company.

Standards #6 and #7: A total of fourteen (14) (28%) of the samples failed these standards due to advertising offering 60 days of coverage free of charge. The Company's approved rate filing does not include a provision for a free trial period and the value of 60 days of premium exceeds \$25 in value.

Standard #9: This standard failed due to the Company not having adequate processes and procedures in place to ensure that all marketing and sales materials included the legal name of the Company. Due to the lack of processes and procedures a total of five (5) (10%) of the reviewed advertisements did not identify the Company's legal name.

(See Appendix 7, page 66)

PRODUCER ACTIVITY

The Examiners conducted a review of the Company's producer activities. The Examiners reviewed the producer activity for compliance with Title 48 RCW and Title 284 WAC.

The Company provided various producer related materials in use during the examination period. The Examiners reviewed these materials against the producer activity standards for compliance.

Producer Activity Review

The Company uses various channels to market and sell its pet insurance policies including the Internet, independent agents and animal shelters. The Company primarily sells and markets policies through its two appointed agencies, Trupanion Managers USA, Inc. and PetPartners, Inc. Both agencies are licensed as Washington producers and operate call centers staffed by representatives who sell and service the Company's policies. None of the call center representatives who actually solicited and sold policies to consumers were licensed as producers.

As part of the examination process the Examiners reviewed recordings of consumer sales calls. The Examiners confirmed that the call center employees were actively engaged in the process of selling and soliciting insurance and were therefore required to be licensed.

Trupanion Policy

To review the Company's compliance with the producer activity standards, the Examiners reviewed the list of Trupanion policies sold during the examination period. From this list, the examiners selected a random sample of one hundred eight (108) policies. This sample was used for multiple reviews during the course of the examination.

Trupanion Producer Activity Findings

A total of nine (9) producer activity standards were reviewed. Standards 4, 7, 8 and 9 passed without comment; standards 1, 2, 3, 5 and 6 failed. There is a zero tolerance for violations of the producer activity standards. (See pages 51 - 52 for a complete list of these standards)

#	Producer Activity Standard	Reference
1	A person shall not sell, solicit, or negotiate insurance in this state for any line or lines of insurance unless the person is licensed for that line of authority in accordance with this chapter.	RCW 48.17.060(1)

2	An insurance producer shall not act as an agent of an insurer unless the insurance producer becomes an appointed agent of the insurer.	RCW 48.17.160(1)
3	To appoint an insurance producer the appointing insurer shall file, in a format approved by the commissioner, a notice of appointment within fifteen days from the date the agency contract is executed or the first insurance application is submitted, whichever is earlier.	RCW.48.17.160(2)
5	(1) An insurance company, insurance producer, or title insurance agent shall not pay a commission, service fee, 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 chapter or chapter <u>48.15</u> RCW and is not so licensed. (4) An insurer, except a title insurer, or insurance producer may pay or assign commissions, service fees, or other valuable consideration to an insurance agency, or to persons who do not sell, solicit, or negotiate insurance in this state, unless the payment would violate RCW <u>48.30.140, 48.30.150, 48.30.155, 48.30.157, or 48.30.170.</u>	RCW 48.17.490(1,4)
6	Insurance producers upon initial appointment by an insurer or upon initial affiliation by a business entity must be authorized to transact at least one line of authority within the authority of the insurer or the business entity.	WAC 284-17-429(2)

Standard #1: This standard fails due to the following reasons:

- The Company allowed its licensed agency, Trupanion Managers USA, Inc. to use unlicensed producers to sell and solicit the Company's pet insurance product. The Examiners confirmed through a review of OIC licensing records that none of the fifty eight (58) Customer Service Contact Center employees are licensed in Washington state. The Examiners confirmed through call shadowing seven (7) Contact Center employees and the review of twenty four (24) sales phone calls that Company employees were actively engaged in the act of selling and soliciting insurance per the definitions of RCW 48.17.010 (13) (14):

13) "Sell" means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurer.

14) "Solicit" means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular insurer.

- The Company entered into agreements with nine (9) animal shelters in Washington for the shelters to offer the Company's 30 day trial certificates to consumers who adopt a pet from their facility. For every trial certificate that is activated the Company pays a commission to the shelter. If the trial certificate then converts to a paid policy the Company issues an additional payment. The Company calls the payment to the shelter a "Donation" implying it is charitable in nature. As no payment is issued to a shelter unless that shelter first provides a trial certificate to the consumer and encourages them to activate it, the Examiners consider the payment to be a commission. By providing the Company's trial certificates to consumers and encouraging activation the shelters are engaging in the solicitation of insurance per the definition of RCW 48.17.010(14) and therefore are required to be licensed as insurance producers.

The Company issued 1,673 trial policies submitted by the nine (9) shelters of which two hundred thirty (230) converted to a paid monthly policy.

Subsequent Event: Effective December 2014, APIC began licensing a select group of Trupanion Managers USA, Inc.'s Customer Service Contact Center employees as producers for Washington. The Company implemented procedures so that all Washington sales calls are handled by a licensed CSR.

Standard #2: This standard failed due to the following reasons:

- The Company accepted thirty seven (37) new business policies from two (2) Washington licensed producers who were not appointed with American Pet Insurance Company. Thirty four (34) policies were sold by Country Financial and three (3) were sold by The Glenkirk Agency.
- The Company allowed the appointment for the Trupanion Managers USA, Inc. agency to lapse on November 15, 2013 and did not renew the appointment until December 12, 2013. The Company accepted two hundred thirty six (236) new business policies from the agency during the lapse period.

Standard #3: This standard failed due to the Company not appointing two (2) independent agencies within fifteen (15) days of accepting an application for new business. The agencies were appointed in July 2014 but the Company accepted new business from Country Financial starting in February 2014 and from the Glenkirk Agency in May 2014.

Standard #5: This standard failed due to the Company paying commissions to unlicensed producers. The Company established a bonus structure for Customer Service Contact Center employees based on the number of policies each CSR sells. The Company also pays commissions to shelters enrolled in the Shelter Support program that submit new business.

Standard #6: This standard failed due to the Company's failure to license fifty eight (58) sales employees of Trupanion Managers USA, Inc. as property and casualty producers in Washington.

(See Appendix 8, pages 67 - 68)

PetPartners Policy

To review the Company's compliance with the producer activity standards, the Examiners obtained a list of all policies sold during the examination period by PetPartners.

The Examiners obtained from the OIC, the producer licensing records for the Company in effect during the examination period.

The Examiners used the materials obtained from the Company and the OIC to select fourteen (14) policies as the random samples for review of the producer activity standards. This sample was used for other examination sections as well.

PetPartners Producer Activity Findings

A total of nine (9) producer activity standards were reviewed. Standards 3, 4, 6, 7, 8 and 9 passed without comment; standards 1, 2 and 5 failed. There is a zero tolerance for violations of the producer activity standards. (See pages 51 - 52 for a complete list of these standards)

#	Producer Activity Standard	Reference
1	A person shall not sell, solicit, or negotiate insurance in this state for any line or lines of insurance unless the person is licensed for that line of authority in accordance with this chapter.	RCW 48.17.060(1)
2	An insurance producer shall not act as an agent of an insurer unless the insurance producer becomes an appointed agent of the insurer.	RCW 48.17.160(1)
5	(1) An insurance company, insurance producer, or title insurance agent shall not pay a commission, service fee, 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 chapter or	RCW 48.17.490(1,4)

	<p>chapter <u>48.15</u> RCW and is not so licensed.</p> <p>(4) An insurer, except a title insurer, or insurance producer may pay or assign commissions, service fees, or other valuable consideration to an insurance agency, or to persons who do not sell, solicit, or negotiate insurance in this state, unless the payment would violate RCW <u>48.30.140</u>, <u>48.30.150</u>, <u>48.30.155</u>, <u>48.30.157</u>, or <u>48.30.170</u>.</p>	
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Standard #1: This standard failed for the following reasons:

- The Company allowed its licensed agency, PetPartners, Inc. to use unlicensed producers to sell and solicit the Company's pet insurance product. The Examiners confirmed through a review of OIC licensing records that none of the eight (8) PetPartners' Customer Service Contact Center employees were licensed in Washington state. The Examiners confirmed through the review of sales phone calls that Company employees were actively engaged in the act of selling and soliciting insurance per the definitions of RCW 48.17.010 (13) (14).
- On May 11, 2014 the property and casualty producer license issued by the OIC to PetPartners expired. The license was not renewed until July 14, 2014. During the fifty one (51) day period of May 11, 2014 – June 30, 2014 (end of the exam period) the Company issued forty five (45) policies submitted by PetPartners.

Standard #2: This standard failed due to the Company accepting forty five (45) new business policies from the PetPartners agency during May 11, 2014 – June 30, 2014, while the agency's appointment with American Pet Insurance Company was lapsed.

Standard #5: This standard failed due to the Company accepting forty five (45) new business policies from the PetPartners agency and paying commission on these policies to the agency per the agency contract dated January 2, 2012 while the agency's Washington producer license was in expired status.

(See Appendix 9, page 69)

FORM FILING

The Examiners conducted a review of Form Filings. The Examiners reviewed form filings for compliance with Title 48 RCW and Title 284 WAC.

The Examiners requested a database of form filings in effect during the examination period.

Form Filing Review

During the examination period the Company's agency, Trupanion Managers USA, Inc., was responsible for all form filings for both the Trupanion and PetPartners policies.

Trupanion Policy

The Examiners obtained the following form filing documentation from the Company:

- List of two thousand eight hundred three (2803) new policies issued during the exam period
- List of six thousand three hundred thirteen (6313) policies active as of June 30, 2014
- List of nine hundred ninety five (995) policies cancelled during the exam period
- Copies of all form filings in effect during the exam period
- Copies of the policy forms and endorsements in use during the exam period

The Examiners selected the following random samples from these documents:

- Ninety four (94) new business policies
- One hundred two (102) active policies
- One hundred one (101) cancelled policies

Trupanion Form Filing Findings

The Examiners reviewed five (5) form filing standards. Standard 5 passed without comment, standards 1, 2, 3, and 4 failed. There is a zero tolerance for form filing standards. (See pages 52 - 53 for a complete list of these standards)

#	Form Filing Standard	Reference
1	No insurance policy form or application form where written application is required and is to be attached to the policy, or printed life of disability rider or endorsement form may be issued, delivered, or used	RCW 48.18.100

#	Form Filing Standard	Reference
	unless it has been filed with and approved by the commissioner.	
2	A policy shall specify: (a) Names of the parties to the contract. The insurer's name shall be clearly shown in the policy. (b) Subject of the insurance. (c) Risk insured against. (d) Time at which the insurance thereunder takes effect and the period during which the insurance is to continue. (e) Statement of the premium and if other than life, disability, or title insurance, the premium rate where applicable. (f) Conditions pertaining to the insurance.	RCW 48.18.140(2)(a)-(f)
3	No agreement in conflict with, modifying, or extending any contract of insurance shall be valid unless in writing and made a part of the policy. (All endorsements and forms)	RCW 48.18.190
4	Each form must have a unique identifying number and a way to distinguish it from other editions of the same form	WAC 284-20B-030(4)

Standard #1: This standard failed due to the following reasons:

- Company used a Declarations page that included an expiration date on policies issued under its 30 day trial certificate program. The OIC does not allow for policies without a set term to include an expiration date. Out of a sample size of ninety four (94) new policies, thirty four (34) included trial certificates. Out of the thirty six (36) trial certificates, twenty three (23) (64%) listed an expiration date of thirty days from the policy inception date on the Declarations page.

The Company stated that a change was made in their computer system around February 2014 – March 2014 that was only meant for other states, but that Washington was included in error. Based on the Examiners' review however this did not align since policies issued beginning in September 2013 and continuing through the end of the exam period on June 30, 2014 contained Declarations with an expiration date.

- The Company utilized emails to communicate policy modifications to policyholders that were not filed and approved with the OIC. Instead of sending policyholders a new

Declarations page upon a policy renewal that included a contract or rate change, the Company sent the policyholder an email with the new information. The Company confirmed that 100% of policy modifications are handled in this manner.

The Company indicated if optional ancillary coverage was applied for, the waiting period was not stated on the Declarations page. The only confirmation of the waiting period the consumer received was in the form of an email, which was not made part of the policy.

Standard #2: This standard failed due to the Company not listing all forms that constitute a complete policy on the Declarations. Out of ninety four (94) new policies and one hundred two (102) active policies sampled, 100% did not meet this standard.

Standard #3: This standard failed due to The Company utilizing emails to communicate policy modifications to policyholders that are not made part of the policy contract.

Standard #4: This standard failed due to the Company's use of a Declarations page with an incorrect revision date. The Company began using a Declarations page with a revision date of 12/12 following its form filing in March 2013 even though it did not include a Declarations page as part of the form filing. The Company should have continued using the Declarations page from its 2010 form filing. Out of ninety four (94) new policy samples and one hundred two (102) active policy samples, 100% used the version of the Declarations with an incorrect revision date.

(See Appendix 10, pages 70 - 71)

PetPartners Policy

The Examiners obtained the following form filing documents from the Company:

- List of three hundred ten (310) new policies issued during the exam period
- List of two hundred seventy eight (278) active policies as of June 30, 2014
- List of sixty three (63) policies cancelled during the exam period
- Copies of all form filings in effect during the exam period
- Copies of all policy forms and endorsements in use during the exam period

The Examiners used these documents to select random samples for review:

- Fourteen (14) new business policies
- Six (6) active policies
- Five (5) cancelled policies

There are five (5) form filing standards. Standards 2 and 3 passed without comment; standards 1, 4 and 5 failed. There is a zero tolerance for form filing violations. (See pages 52 - 53 for a complete list of these standards)

#	Form Filing Standard	Reference
1	No insurance policy form or application form where written application is required and is to be attached to the policy, or endorsement form may be issued, delivered, or used unless it has been filed with and approved by the commissioner.	RCW 48.18.100
4	Each form must have a unique identifying number and a way to distinguish it from other editions of the same form	WAC 284-20B-030(4)
5	The requirements for filing and approval of policy rates and forms apply to forms issued to or in connection with purchasing groups to the same extent as they apply in other situations.	WAC 284-92-260(1)

Standards #1 and #4: These standards failed due to the following:

- Amendatory Endorsement (AE) form/revision number used in the policy forms reviewed is not the one approved by the OIC. On the Company's approved form filing, effective November 1, 2012, the AE form number was "PPI003WA 11/12". The form number reviewed on 100% of twenty five (25) samples was "PPI003WA POLAE WA (11/12)".
- The Declarations page being issued with policies is not the one that was approved by the OIC as part of the filing. On the Company's approved form filing, effective November 1, 2012, the Declarations form/revision number was "PPI0002 (11/12)". The form number reviewed on 100% of twenty five (25) samples was "POL001-A (6/13)".

Standard #5: This standard failed due to the Company issuing pet insurance policies under a Risk Purchasing Group arrangement in Washington without filed and approved rates and forms.

The Company and its licensed agency PetPartners published advertisements regarding a "Complimentary 60-day Trial AKC Pet Health Insurance Plan" which stated that the trial plan was "provided by the master policy issued to the Association of American Pet Owners", underwritten by American Pet Insurance Company. The Articles of Incorporation for the Association states that the Association of American Pet Owners was incorporated in Texas for the sole purpose of creating a Risk Purchasing Group to cover the 60-day trial plan. Upon review of OIC records the Examiners confirmed the Association is not registered in Washington as a Risk Purchasing Group. The Examiners also confirmed APIC never filed rates and forms for

the Association as required by WAC 284-92-260(1). The Company stated that the Master Policy was filed in Texas however upon receipt of a copy of the SERFF form filing (APII-128579558) the Examiners determined that the filing is actually for an Inland Marine policy and not for a Contractual Liability policy. The Examiner confirmed with the Texas DOI's Rate and Forms Division their office did not have an approved Contractual Liability Insurance Policy on file for the Company in their state.

The Company confirmed that during the exam period a total of one thousand one hundred sixty (1160) 60 day Trial Certificates were issued. As of November 2014, the completion of on-site examination activities, the Company continued to issue 60 day Trial Certificates through this arrangement after notification from the OIC that the arrangement was not and continues to be non-compliant.

(See Appendix 11, page 72)

RATE FILING

The Examiners conducted a review of the Company's Rate Filings. The examiners reviewed rate filings for compliance with Title 48 RCW and Title 284 WAC.

The Company provided a listing of all rates in use during the exam period. The Examiners cross-referenced this listing to the records maintained by the OIC.

Rate Filing Review

During the examination period the Company's agency, Trupanion Managers USA, Inc., was responsible for all rate filings for both the Trupanion and PetPartners branded policies.

Trupanion Policy

The Examiners obtained the following rate filing documents from the Company:

- List of two thousand eight hundred three (2803) new policies issued during the exam period
- List of six thousand three hundred thirteen (6313) policies active as of June 30, 2014
- List of nine hundred ninety five (995) policies cancelled during the exam period
- Copies of all rate filings submitted to the OIC during the exam period

- Excel Based Rate Calculator for sampled policies

The Examiners used these documents to select random samples for review:

- Ninety four (94) new business policies
- One hundred two (102) active policies
- One hundred one (101) cancelled policies

Trupanion Rate Filing Findings

The Examiners reviewed three (3) rate filing standards. Standards 1 and 2 passed without comment; standard 3 failed. There is a zero tolerance for rate filing violations. (See pages 53 - 54 for a complete list of these standards)

#	Rate Filing Standard	Reference
3	Where a filing is required no insurer shall make or issue an insurance contract or policy except in accordance with its filing then in effect, except as provided by RCW 48.19.090	RCW 48.19.040(6)

Standard #3: This standard failed for the following reasons:

- Per the Company's approved rate filing the only provision for waiving the policy enrollment fee is when an existing policyholder added a new pet to their policy. Per the Examiners' review and the Company's admission, the fees are waived for various other reasons, including to "close a sale". The Company stated that the fee was waived on about 2% of all new policies and provided a list of two hundred sixteen (216) policies where the enrollment fee was waived.

Subsequent Event: Effective December 2014, APIC informed all Customer Service Contact Center employees that they can no longer waive or refund any policy premium, including the policy enrollment fee. The Company has implemented a monthly review process to confirm that no one in the Contact Center issued a premium credit to a policyholder.

- The 30-day trial certificates are coded to indicate what level of deductible the policyholder will receive during the 30 day policy period. The filed deductible levels of

\$0, \$250, \$750 and \$1000 are based on a specific filed matrix that denotes the age of the pet and comprehensiveness of the exam conducted by the veterinarian.

In practice the Company assigned certificate deductible levels to be issued based on criteria other than in the approved filing. A primary driver of the deductible level was based on the number of trial certificates submitted for activation by consumers. The actual deductible assigned at activation was based on the volume of certificates attributable to a particular veterinarian. The deductible level could change over time based on Company analysis.

(See Appendix 12, page 73)

PetPartners Policy

The Examiners obtained the following rate filing documents from the Company:

- List of three hundred ten (310) new policies issued during the exam period
- List of two hundred seventy eight (278) active policies as of June 30, 2014
- List of sixty three (63) policies cancelled during the exam period
- Copies of all rate filings submitted to the OIC during the exam period
- Excel Based Rate Calculator for sampled policies

The Examiners used these documents to select random samples for review:

- Fourteen (14) new business policies
- Six (6) active policies
- Five (5) cancelled policies

PetPartners Rate Filing Findings

The Examiners reviewed three (3) rate filing standards. Standard 1 passed without comment; standards 2 and 3 failed. There is a zero tolerance for rate filing violations. (See pages 53 - 54 for a complete list of these standards)

#	Rate Filing Standard	Reference
2	Every insurer or rating organization shall, before using, file with the commissioner every classifications manual, manual of rules and rates, rating plan, rating schedule, minimum rate, class rate, and rating rule and every modification of any of the foregoing which it proposes.	RCW 48.19.040(1)
3	Where a filing is required no insurer shall make or issue an insurance contract or policy except in accordance with its filing then in effect, except as provided by RCW 48.19.090	RCW 48.19.040(6)

Standard #2:

The Company issued new policies under the PetPartners program before the forms and rates for this product had been approved by the OIC.

On January 2, 2012 the Company entered into a contract with licensed agency PetPartners, Inc. to begin underwriting pet insurance products for the agency. The agent had a previous underwriting agreement with Markel Insurance Company. The parties agreed APIC would not begin underwriting for PetPartners until the Markel agreement ended on November 1, 2012.

APIC filed in Washington and received approval of their forms for the PetPartners' product effective November 1, 2012. During the same time frame the Company filed rates for the pet insurance product. Rates were not approved however until November 4, 2013. From November 1, 2012 to November 4, 2013, a total of three hundred ninety seven (397) policies were issued by APIC through the PetPartners program utilizing what the Company indicated was Markel's rating structure, but that had not been approved in WA.

Standard #3:

The Examiners reviewed twenty (20) policies (fourteen (14) new and six (6) renewals) to confirm the premium charged matched the Company's filed and approved rates. A total of five (5) (25%) policies (four (4) new and one (1) renewal) were found to be rated incorrectly when compared to the rates approved by the OIC.

(See Appendix 13, page 74)

POLICY ADMINISTRATION AND UNDERWRITING

The Examiners conducted a review of the Company's policy administration and underwriting processes and procedures. The Examiners reviewed policy administration and underwriting processes and procedures for compliance with Title 48 RCW and Title 284 WAC.

Policy Administration and Underwriting Review

During the examination period all policy administration functions were divided between the Company's two agencies, Trupanion Managers USA, Inc. and PetPartners Inc. Trupanion Managers USA, Inc. handled all policy administration functions for the Trupanion policy and PetPartners did the same for its policies.

The Company's underwriting guidelines are limited. In order for a consumer to be eligible to purchase a policy the only Company requirement is that the pet to be insured is at least 8 weeks old and no older than 14 years. Consumers with animals outside the acceptable age range were not provided a policy quote.

Once payment was accepted a policy number was generated and all underwriting functions ceased. There was no in-force re-underwriting. Policies were canceled only for non-payment of premium or fraud.

Trupanion Policy

In order to review the Company's compliance with the policy administration and underwriting standards, the Examiners obtained the following from the Company:

- List of two thousand eight hundred three (2803) new policies issued during the exam period
- List of six thousand three hundred thirteen (6313) policies active as of June 30, 2014
- List of nine hundred ninety five (995) policies cancelled during the exam period

The Examiners used these documents to select random samples for review:

- Ninety four (94) new business policies
- One hundred two (102) active policies
- One hundred one (101) cancelled policies

Trupanion Policy Administration and Underwriting Findings

The Examiners reviewed sixteen (16) policy administration and underwriting standards. Standards 1, 2, 4, 5, 8, 9, 11 and 10 passed without comment; standards 3, 6, 7, 12, 13, 14, 15 and 16 failed. (See pages 54 - 57 for a complete list of these standards)

#	Policy Administration and Underwriting Standard	Reference
3	Subject to the insurer's requirements as to payment of premium, every policy shall be delivered to the insured or to the person entitled thereto within a reasonable period of time after its issuance.	RCW 48.18.260(1)
6	If an insurer cancels a policy described under (a) or (b) of this subsection for nonpayment of premium, the insurer must deliver or mail the cancellation notice to the insured at least ten days before the effective date of the cancellation.	RCW 48.18.290(1)(c)
7	The mailing of any such notice shall be effected by depositing it in a sealed envelope, directed to the addressee at his or her last address as known to the insurer or as shown by the insurer's records, with proper prepaid postage affixed, in a letter depository of the United States post office. The insurer shall retain in its records any such item so mailed together with its envelope, which was returned by the post office upon failure to find, or deliver the mailing to, the addressee.	RCW 48.18.290(2)
12	Whenever an insurer is required by law to give the reason for its canceling, denying, or refusing to renew insurance, it shall give the true and actual reason for its action in clear and simple language, so that the insured or applicant will not need to resort to additional research to understand the real reason for the action. It is not sufficient for example, to state the insured "does not meet the company's underwriting standards." The reason why the individual does not meet such underwriting standards is what must be given.	WAC 284-30-570
13	Each form must have a unique identifying number and a way to distinguish it from other editions of the same form	WAC 284-20B-030(4)

14	(1) Initial notice requirement. A licensee shall provide a clear and conspicuous notice that accurately reflects its privacy policies and practices to: (a) Customer. An individual who becomes the licensee's customer, not later than when the licensee establishes a customer relationship,	WAC 284-04-200
15	(1)(a) General rule. A licensee shall provide a clear and conspicuous notice to customers that accurately reflects its privacy policies and practices not less than annually during the continuation of the customer relationship. Annually means at least once in any period of twelve consecutive months during which that relationship exists. A licensee may define the twelve-consecutive-month period, but the licensee shall apply it to the customer on a consistent basis.	WAC 284-04-205
16	(8) If a policy includes conditions allowing the insured to cancel the policy, the insured may cancel the policy or binder issued as evidence of coverage. (b) If the insurer receives notice of cancellation from the insured, it must accept and promptly cancel the policy or any binder issued as evidence of coverage effective the later of: (i) The date notice is received; or (ii) The date the insured requests cancellation.	WAC 284-30-590(8)(b)

Standard #3: This standard failed due to the following reasons:

- The Company did not send new Declarations, Contract or Amendatory Endorsement documents to policyholders upon renewal even when there was a change in the policy contract and/or policy premium. The Company did send an email to policyholders to advise them that their policy is renewing and to inform them of any change in premium but the email is not a filed and approved form and does not meet the standard. The Company confirmed that until September 30, 2014 this was standard practice and it would only send out the policy documents to a policyholder if they called in and requested the Company do so. Out of one hundred two (102) active policy samples 100% of renewals were missing the required policy documents.
- In the Company's approved form filing effective March 1, 2013, various optional ancillary forms were included. The forms included: Breeding endorsement (TRU00010),

Specific Conditions Exclusion Endorsement (TRU 00007), Veterinary Exam fees endorsement (TRU 00003), Waiver of Waiting Periods endorsement (TRU 00011), Rider A (TRU 00009), and Rider B (TRU 00002). The Company stated that when a new policy was issued the forms sent to the policyholder included the Declarations, Policy Contract and the Amendatory Endorsement. Out of the ninety four (94) new policy samples reviewed, forty seven (47) (50%) were missing required forms.

Thirty two (32) new policies were written under a 30-day trial certificate, 100% were not sent the required TRU 000011 endorsement.

Fifteen (15) new policy samples were issued with Rider A and/or B, 100% were not sent the required endorsements (TRU 00009 and TRU 00002).

Standard #6: This standard failed due to the Company not submitting cancellation notices ten days prior to cancellation.

The Company collects one (1) month of premium at policy inception which covers a thirty (30) day period. The Company only bills through EFT by billing the policyholder's credit card or bank account. The Company is not aware when a charge has not processed until the day after a payment is due. The Company sends a series of emails to the policyholder requesting updated payment information over a period of several weeks. Only the final email notice, sent two (2) months after the payment due date, lists the date the policy cancelled, which is back dated to the original payment due date. Out of the ninety nine (99) cancelled policy samples, fifteen (15) were cancelled due to nonpayment of premium. Out of the fifteen (15) non pay policy cancellations, 100% were backdated two (2) months.

Standard #7: This standard failed due to the Company's practice of emailing policy cancellation notices to policyholders.

Out of the ninety nine (99) policy cancellations reviewed, 100% were emailed the cancellation notices and none were sent a notice through the USPS. The Examiners confirmed with the Company that it did not have a process in place during the examination period to mail cancellation notices to policyholders.

Standard #12: This standard failed due to the Company not identifying the true and actual reason for its action in clear and simple language.

Out of ninety nine (99) cancelled policy samples, fifty eight (58) (59%) did not contain the specific reason for policy cancellation on the notification.

Standard #14: This standard failed due to the Company not sending the required initial privacy notice to new policyholders.

The Company confirmed that it did not provide individual privacy notices to policyholders but instead placed the notice on the Trupanion.com website. One hundred percent (100%) of the two thousand eight hundred three (2803) new business policies issued during the examination period were not provided initial privacy notices. The Company did not require policyholders to certify they had read the online privacy notice and agreed to accept it electronically per WAC 284-04-225 (2) (a) (iii).

Standard #15: This standard failed due to the Company not sending the required annual privacy notice to policyholders.

The Company confirmed that it did not provide individual privacy notices to policyholders but instead placed the notice on the Trupanion.com website. One hundred percent (100%) of the six thousand three hundred thirteen (6313) active during the examination period were not provided annual privacy notices.

Standard #16: This standard failed due to the Company's failure to cancel a policy on the date requested by the policyholder.

The Examiners noted thirty five (35) out of ninety nine (99) (35.35%) cancelled policy samples that were cancelled after the date the policyholder requested. The Examiners also noted three (3) policies that were not cancelled when the policyholder advised the Company that they no longer owned the insured pet either due to death or re-homing.

(See Appendix 14, pages 75 – 76)

PetPartners Policy

In order to review the Company's compliance with the policy administration and underwriting standards, the Examiners obtained the following from the Company:

- List of three hundred ten (310) new policies issued during the exam period
- List of two hundred seventy eight (278) active policies as of June 30, 2014
- List of sixty three (63) policies cancelled during the exam period

The Examiners used these documents to select random samples for review:

- Fourteen (14) new business policies
- Six (6) active policies

- Five (5) cancelled policies

The Examiners reviewed sixteen (16) policy administration and underwriting standards. Standards 1 - 16 passed without comment. (See pages 54 - 57 for a complete list of these standards)

Instructions and Recommendations

#	Instructions	Page #(s)
1	The Company is instructed to comply with RCW 48.05.190 (1), RCW 48.30.050 and WAC 284-30-670 (5) and conduct all of its business in its own legal name.	14, 19, 20
2	The Company is instructed to comply with RCW 48.05.280 and maintain full and adequate accounts and records of its assets, obligations, transactions and affairs.	14
3	The Company is instructed to comply with RCW 48.18.480 and not make or permit any unfair discrimination between insureds or subjects of insurance having substantially like insuring risk, exposure factors and expense elements.	14
4	The Company is instructed to comply with WAC 284-30-650 and promptly respond to any inquiry from the insurance commissioner relative to the business of insurance.	14
5	The Company is instructed to comply with WAC 284-30-360 (2) and provide an adequate response to an inquiry from the commissioner within fifteen working days after receipt of the inquiry.	18
6	The Company is instructed to comply with WAC 284-30-670 (5) and include the Company's NAIC code on all responses to inquiries from the commissioner.	19
7	The Company is instructed to comply with RCW 48.30.040 and not make, publish or disseminate any false, deceptive or misleading representation or advertising in the conduct of the business of insurance, or relative to the business of insurance.	20
8	The Company is instructed to comply with RCW 48.30.060 and not assume or use any name which deceptively infers or suggests that it is an insurer.	20
9	The Company is instructed to comply with RCW 48.30.140 (1) and RCW 48.30.140 (4) and stop using advertisements offering incentives that are not part of the Company's approved form filing.	21, 23, 24
10	The Company is instructed to comply with RCW 48.30.150 (1)(c) and cease offering any prizes, goods, wares or merchandise of an aggregate value in excess of twenty five dollars as an inducement, or in connection with any insurance transaction.	21
11	The Company is instructed to comply with RCW 48.17.060 (1) and RCW 48.17.490 (1, 4) and cease accepting insurance business from and paying commissions to producers in Washington state who are not licensed.	25, 26, 28

12	The Company is instructed to comply with RCW 48.17.160 (1), RCW 48.17.160 (2) and WAC 284-17-429 (2) and cease accepting insurance business in Washington state from producers who are not appointed with the Company.	26, 28
13	The Company is instructed to comply with RCW 48.18.100 and only use policy forms that have been filed with and approved by the commissioner.	30, 33
14	The Company is instructed to comply with RCW 48.18.140 (2)(a)-(f) and to list all forms that constitute a complete policy on the policy Declarations.	31
15	The Company is instructed to comply with RCW 48.18.190 and cease using unfiled emails to communicate policy modifications that are not made part of the policy.	31
16	The Company is instructed to comply with WAC 284-20B-030 (4) and to assign a unique identifying number each form in use to provide a way to distinguish it from other editions of the same form.	31, 33
17	The Company is instructed to comply with WAC 284-92-260 (1) and to cease selling policies in connection with purchasing groups without filed and approved rates and forms.	33
18	The Company is instructed to comply with RCW 48.19.040 (6) and to cease issuing insurance contracts not in accordance with its rate filing then in effect.	35, 37
19	The Company is instructed to comply with RCW 48.18.260 (1) and to deliver a complete policy contract, including all endorsements and ancillary coverage forms to the insured or to the person entitled thereto within a reasonable period of time after its issuance.	39
20	The Company is instructed to comply with RCW 48.18.290 (1)(c) and to mail cancellation notices to insureds at least ten days before the effective date of the cancellation.	39
21	The Company is instructed to comply with RCW 48.18.290 (2) and to mail all cancellation notices in a sealed envelope, directed to the addressee at his or her last address as known to the insurer, with proper prepaid postage affixed, in a letter depository of the United States post office. The insurer shall retain in its records any such item so mailed together with its envelope, which was returned by the post office.	39
22	The Company is instructed to comply with WAC 284-30-570 and to give the true and actual reason for canceling, denying, or refusing to renew insurance in clear and simple language on all policy cancellations, denials and renewals.	39

23	The Company is instructed to comply with WAC 284-04-200 and to provide an initial notice of the Company's privacy policies and practices when it establishes a customer relationship with a customer.	40
24	The Company is instructed to comply with WAC 284-04-205 and to provide an annual notice of the Company's privacy policies and practices to all customers until the termination of the customer relationship.	40
25	The Company is instructed to comply with WAC 284-30-590 (8)(b) and to cancel policies that include conditions allowing the insured to cancel the policy effective the date the insured requests cancellation.	40

Summary of Standards

Company Operations and Management:

#	STANDARD	Pass	Fail
1	The business of insurance is one affected by the public interest, requiring that all persons be actuated by good faith, abstain from deception, and practice honesty and equity in all insurance matters. RCW.48.01.030	X	
2	No person shall act as an insurer and no insurer shall transact insurance in this state other than as authorized by a certificate of authority issued to it by the commissioner and then in force. RCW 48.05.030(1)	X	
3	Each insurer licensed to write direct insurance in this state shall institute and maintain an insurance antifraud plan. RCW 48.30A.045(1)	X	
4	By March 31 st of each year, each insurer shall provide to the insurance commissioner a summary report on actions taken under its antifraud plan to prevent and combat insurance fraud. The report must include measures taken to protect and ensure the integrity of electronic data processing-generated data and manually compiled data, and statistical data on the amount of resources committed to combating fraud, the amount of fraud identified and recovered during the reporting period. RCW 48.30A.060	X	

General Examination Standards:

#	STANDARD	Pass	Fail
1	Every insurer shall conduct its business in its own legal name. RCW 48.05.190(1)		X
2	Every insurer shall keep full and adequate accounts and records of its assets, obligations, transactions, and affairs. RCW 48.05.280		X
3	Market conduct examinations shall be conducted in accordance with the provisions set forth in the NAIC market regulation handbook and the NAIC market	X	

	conduct uniform examinations procedures, subject to the precedence of the provisions of chapter 82, Laws of 2007. RCW 48.37.060(6)		
4	Except as otherwise provided by law, market conduct oversight personnel shall have free, convenient, and full access to all books, records, employees, officers, and directors, as practicable, of the insurer during regular business hours. RCW 48.37.070(1)	X	
5	An insurer using a third-party model or product for any of the activities under examination shall cause, upon the request of market conduct oversight personnel, the details of such models or products to be made available to such personnel. RCW 48.37.070(1)	X	
6	Each officer, director, employee, and agent of an insurer shall facilitate and aid in a market conduct action or examination. RCW 48.37.070(3)	X	
7	No insurer shall make or permit any unfair discrimination between insureds or subjects of insurance having substantially like insuring risk, and exposure factors, and expense elements, in the terms or conditions of any insurance contract, or in the rate or amount of premium charged therefor, or in the benefits payable or in any other rights or privileges accruing thereunder. RCW 48.18.480		X
8	It is an unfair practice for an insurer to fail to respond promptly to any inquiry from the insurance commissioner relative to the business of insurance. WAC 284-30-650		X

Complaint Activity:

#	STANDARD	Pass	Fail
1	Upon receipt of any inquiry from the commissioner concerning a complaint, every insurer must furnish the commissioner with an adequate response to the inquiry within fifteen working days after receipt of the commissioner's inquiry. WAC 284-30-360(2)		X
2	For all other pertinent communications from a claimant reasonably suggesting that a response is	X	

	expected, an appropriate reply must be provided within ten working days for individual insurance policies. WAC 284-30-360(3)		
3	It is an unfair practice for an insurer to fail to respond promptly to any inquiry from the insurance commissioner relative to the business of insurance. WAC 284-30-650		X
4	(5) To assist the commissioner in identifying the legal name of the insurer, insurer's written communications to the commissioner in response to any investigation, inquiry, enforcement matters or examination must include the insurer's NAIC code. WAC 284-30-670(5)		X

Marketing and Sales:

#	STANDARD	Pass	Fail
1	No person shall knowingly make, publish, or disseminate any false deceptive or misleading representation or advertising in the conduct of the business of insurance, or relative to the business of insurance or relative to any person engaged therein. RCW 48.30.040		X
2	Every advertisement of, by, or on behalf of an insurer shall set forth the name in full of the insurer and the location of its home office or principal office, if any, in the United States. RCW 48.30.050		X
3	No person who is not an insurer shall assume or use any name which deceptively infers or suggests that it is an insurer. RCW 48.30.060		X
4	Every advertisement by or on behalf of any insurer purporting to show its financial condition may be in a condensed form but shall in substance correspond with the insurer's last verified statement filed with the commissioner. RCW 48.30.070(1)	X	
5	No insurer or person in its behalf shall advertise assets except those actually owned and possessed by the insurer in its own exclusive right, available for the payment of losses and claims, and held for the	X	

	protection of its policyholders and creditors. RCW 48.30.070(2)		
6	Except to the extent provided for in an applicable filing with the commissioner then in effect, no insurer, insurance producer, or title insurance agent shall, as an inducement to insurance, or after insurance has been effected, directly or indirectly, offer, promise, allow, give, set off, or pay to the insured or to any employee of the insured, any rebate, discount, abatement, or reduction of premium or any part thereof named in any insurance contract, or any commission thereon, or earnings, profits, dividends, or other benefit, or any other valuable consideration or inducement whatsoever which is not expressly provided for in the policy. RCW 48.30.140(1)		X
7	This section shall not apply to advertising or promotional programs conducted by insurers, insurance producers, or title insurance agents whereby prizes, goods, wares, or merchandise, not exceeding twenty five dollars in value per person in the aggregate in any twelve month period, are given to all insured or prospective insured under similar qualifying circumstances. RCW 48.30.140(4)		X
8	No insurer, insurance producer, title insurance agent, or other person shall as an inducement to insurance, or in connection with any insurance transaction, provide in any policy for, or offer, or sell, buy, or offer or promise to buy or give, or promise, or allow to, or on behalf of the insured or prospective insured in any manner whatsoever: (c) Any prizes, goods, wares, or merchandise of an aggregate value in excess of twenty five dollars. RCW 48.30.150(1)(c)		X
9	Insurers must transact business in their legal name - (3) When used in this regulation, "legal name" of the insurer means the name displayed on the Washington state certificate of authority issued by the commissioner. (4) Each insurer must have standards and procedures		X

	to ensure that each consumer with whom they conduct an insurance transaction is informed of and can consistently identify the legal name of the insurer. Each insurer must provide the insurance commissioner with its standards and procedures and proof of its compliance upon request. The insurer must be able to show the legal name was provided when issuing policy documents, billing statements, and other written communications regarding policy services, underwriting, and claims and at the point during policy sales transactions when the company is determined. WAC 284-30-670		
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Producer Activity

#	STANDARD	Pass	Fail
1	A person shall not sell, solicit, or negotiate insurance in this state for any line or lines of insurance unless the person is licensed for that line of authority in accordance with this chapter. RCW 48.17.060(1)		X
2	An insurance producer shall not act as an agent of an insurer unless the insurance producer becomes an appointed agent of the insurer. RCW 48.17.160(1)		X
3	To appoint an insurance producer the appointing insurer shall file, in a format approved by the commissioner, a notice of appointment within fifteen days from the date the agency contract is executed or the first insurance application is submitted, whichever is earlier. RCW 48.17.160(2)		X
4	An insurer shall pay an appointment fee, in the amount and method of payment set forth in RCW 48.14.010, for each insurance producer appointed by the insurer. RCW 48.17.160(4)	X	
5	(1) An insurance company, insurance producer, or title insurance agent shall not pay a commission, service fee, 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 chapter or chapter 48.15 RCW and is not so licensed.		X

	(4) An insurer, except a title insurer, or insurance producer may pay or assign commissions, service fees, or other valuable consideration to an insurance agency, or to persons who do not sell, solicit, or negotiate insurance in this state, unless the payment would violate RCW 48.30.140, 48.30.150, 48.30.155, 48.30.157, or 48.30.170. RCW 48.17.490(1,4)		
6	Insurance producers upon initial appointment by an insurer or upon initial affiliation by a business entity must be authorized to transact at least one line of authority within the authority of the insurer or the business entity. WAC 284-17-429(2)		X
7	Business entities are obligated to ensure that all affiliated insurance producers are licensed for the proper line of authority for which the insurance producer submits an application for insurance. WAC 284-17-429(6)	X	
8	Individual licensees that represent a business entity or act on its behalf must be affiliated with the licensed business entity. A business entity must have at least one affiliated individual licensee in order to transact insurance business. Each business must provide the commissioner with the names of all individual licensees authorized to represent the business entity and act on its behalf by electronic submission and pay the applicable fees. WAC 284-17-473	X	
9	An insurer or authorized representative of the insurer that terminates the appointment, employment, contract, or other insurance business relationship with an insurance producer shall notify the commissioner within thirty days following the effective date of the termination. RCW 48.17.595(1)	X	

Form Filings:

#	STANDARD	Pass	Fail
1	No insurance policy form or application form where written application is required and is to be attached to the policy, or printed life or disability rider or		X

	endorsement form may be issued, delivered, or used unless it has been filed with and approved by the commissioner. RCW 48.18.100		
2	A policy shall specify: (a) Names of the parties to the contract. The insurer's name shall be clearly shown in the policy. (b) Subject of the insurance. (c) Risk insured against. (d) Time at which the insurance thereunder takes effect and the period during which the insurance is to continue, (e) Statement of the premium, and if other than life, disability, or title insurance, the premium rate where applicable, (f) Conditions pertaining to the insurance. RCW 48.18.140(2)(a)-(f)		X
3	No agreement in conflict with, modifying, or extending any contract of insurance shall be valid unless in writing and made a part of the policy. (All endorsements and forms) RCW 48.18.190		X
4	Each form must have a unique identifying number and a way to distinguish it from other editions of the same form. WAC 284-20B-030(4)		X
5	(1) The requirements for filing and approval of policy rates and forms apply to forms issued to or in connection with purchasing groups to the same extent as they apply in other situations. WAC 284-92-260(1)		X

Rate Filings:

#	STANDARD	Pass	Fail
1	The premium stated in the policy shall be inclusive of all fees, charges, premiums, or other consideration charged for the insurance or for the procurement thereof. RCW 48.18.180(1)	X	
2	Every insurer or rating organization shall, before using, file with the commissioner every classifications manual, manual of rules and rates, rating plan, rating schedule, minimum rate, class	X	

	rate, and rating rule and every modification of any of the foregoing which it proposes. RCW 48.19.040(1)		
3	Where a filing is required no insurer shall make or issue an insurance contract or policy except in accordance with its filing then in effect, except as provided by RCW 48.19.090. RCW 48.19.040(6)		X

Policy Administration and Underwriting:

#	STANDARD	Pass	Fail
1	No contract of insurance on property or of any interest therein or arising therefrom shall be enforceable except for the benefit of persons having an insurable interest in the things insured. RCW 48.18.040	X	
2	No insurance contract delivered or issued for delivery in this state and covering subjects located, resident, or to be performed in this state, shall contain any condition, stipulation, or agreement: (a) requiring it to be construed according the laws of any other state or country except as necessary to meet the requirements of the motor vehicle financial responsibility laws of such other state or country; or (b) depriving the courts of this state of the jurisdiction of action against the insurer. RCW 48.18.200(1)(a) and (b)	X	
3	Subject to the insurer's requirements as to payment of premium, every policy shall be delivered to the insured or to the person entitled thereto within a reasonable period of time after its issuance. RCW 48.18.260(1)		X
4	Whenever a notice of cancellation or nonrenewal or an offer to renew is furnished to an insured in accord with any provision of this chapter, a copy of such notice or offer shall be provided within five working days to the insurance producer on the account. When possible, the copy to the insurance producer may be provided electronically. RCW 48.18.289	X	

5	<p>Cancellation by the insurer of any policy which by its terms is cancellable at the option of the insurer, or of any binder based on such policy which does not contain a clearly stated expiration date, may be effected as to any interest only upon compliance with:</p> <p>(i) The insurer must deliver or mail written notice of cancellation to the named insured at least forty five days before the effective date of the cancellation,</p> <p>(ii) The cancellation notice must include the insurer's actual reason for canceling the policy. RCW 48.18.290(1)(a)(i) and (ii)</p>	X	
6	<p>If an insurer cancels a policy described under (a) or (b) of this subsection for nonpayment of premium, the insurer must deliver or mail the cancellation notice to the insured at least ten days before the effective date of the cancellation. RCW 48.18.290(1)(c)</p>		X
7	<p>The mailing of any such notice shall be effected by depositing it in a sealed envelope, directed to the addressee at his or her last address as known to the insurer or as shown by the insurer's records, with proper prepaid postage affixed, in a letter depository of the United States post office. The insurer shall retain in its records any such item so mailed together with its envelope, which was returned by the post office upon failure to find, or deliver the mailing to, the addressee. RCW 48.18.290(2)</p>		X
8	<p>Each insurer must renew any insurance policy subject to RCW 48.18.290 unless one of the following situations exists:</p> <p>(a)(i) For all insurance policies subject to RCW 48.18.290 (1)(a):</p> <p>(A) the insurer must deliver or mail written notice of nonrenewal to the named insured at least forty five days before the expiration date of the policy; and</p> <p>(B) The notice must include the insurer's actual reason for refusing to renew the policy. RCW 48.18.2901(a)(i) (A) and (B)</p>	X	

9	Premium rates for insurance shall not be excessive, inadequate, or unfairly discriminatory. RCW 48.19.020	X	
10	No later than six months after July 1, 2006, all applications for insurance, and all claim forms regardless of the form of transmission provided and required by an insurer or required by law as condition of payment of a claim, must contain a statement, permanently affixed to the application or claim for that clearly states in substance the following: "It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. RCW 48.135.080	X	
11	The Companies may not rely solely on the decision of another insurer's denial, cancellation, or non-renewal of insurance to support a denial or termination of coverage. WAC 284-30-574	X	
12	Whenever an insurer is required by law to give the reason for its canceling, denying, or refusing to renew insurance, it shall give the true and actual reason for its action in clear and simple language, so that the insured or applicant will not need to resort to additional research to understand the real reason for the action. It is not sufficient for example, to state the insured "does not meet the company's underwriting standards." The reason why the individual does not meet such underwriting standards is what must be given. WAC 284-30-570		X
13	Each form must have a unique identifying number and a way to distinguish it from other editions of the same form. WAC 284-20B-030(4)		X
14	(1) Initial notice requirement. A licensee shall provide a clear and conspicuous notice that accurately reflects its privacy policies and practices to: (a) Customer. An individual who becomes the licensee's customer, not later than when the licensee establishes a customer relationship. WAC 284-04-200(1)(a)		X

15	(1)(a) General rule. A licensee shall provide a clear and conspicuous notice to customers that accurately reflects its privacy policies and practices not less than annually during the continuation of the customer relationship. Annually means at least once in any period of twelve consecutive months during which that relationship exists. A licensee may define the twelve-consecutive-month period, but the licensee shall apply it to the customer on a consistent basis. WAC 284-04-205(1)(a)		X
16	(8) If a policy includes conditions allowing the insured to cancel the policy, the insured may cancel the policy or binder issued as evidence of coverage. (b) If the insurer receives notice of cancellation from the insured, it must accept and promptly cancel the policy or any binder issued as evidence of coverage effective the later of: (i) The date notice is received; or (ii) The date the insured requests cancellation. WAC 284-30-590(8)(b)		X

APPENDIX 1

General Exam Standards

Standard #1

- The Company confirmed that 100% of email notices sent to policyholders failed to disclose the legal name of APIC.

Proof Document	Document Type	File Type	Date Received/Completed by Examiners
CRES IR0023NG	Company Response	Email	11/14/2014

- When a consumer called into the Company's Customer Service Contact Center at 855-591-3100, the opening electronic greeting stated "Thank you for calling Trupanion, insurance for your pet".

Proof Document: The Examiners test called Contact Center on October 3, 2014. Examiners previously called into Contact Center multiple times due to open Continuum action on the Company beginning in July 2014. The Examiners noted the same greeting on all prior calls.

- Customer Service Contact Center sales employees at Trupanion Managers USA, Inc. and PetPartners Inc., failed to disclose during sales transactions the name of the insurer, American Pet Insurance Company, or that they were speaking to either a Trupanion Managers USA, Inc. or PetPartners agency employee.

Proof Document	Document Type	File Type	Date Received/Completed by Examiners
Trupanion CSR Observation Audit	Examiner Audit Template 23 calls observed	Word Doc	09/29/2014
Trupanion Call Recording Review	Examiner Audit Template 24 recordings reviewed	Excel Spreadsheet	10/15/2014

PetPartners Call Recording Review	Examiner Audit Template 9 recordings reviewed	Excel Spreadsheet	11/13/2014
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- Out of two hundred twenty one (221) pieces of advertising material reviewed fifty two (52) failed to disclose the legal company name.
- Out of two hundred twenty one (221) pieces of advertising material reviewed fifty three (53) contained language that indicated the name of the insurance company was Trupanion.

Proof Document	Document Type	File Type	Date Received/Completed by Examiners
APIC Trupanion Policy Marketing Audit	Examiner Audit Template 169 documents reviewed	Excel Spreadsheet	01/06/2015
APIC PetPartners Policy Marketing Audit	Examiner Audit Template 52 documents reviewed	Excel Spreadsheet	10/21/2014

- Out of eleven (11) PetPartners claims checks reviewed, all of them failed to list the name of the insurer.

Proof Document	Document Type	File Type	Date Received/Completed by Examiners
CRES IR0015NG	Company Response	Email	11/26/2014

APPENDIX 2

General Exam Standards

Standard #2

- The Company was unable to provide the sales call recording for three (3) out of twenty four (24) call samples.

Proof Document	Document Type	File Type	Date Received/Completed by Examiners
CRES IR0016NG	Company Response	Email	11/05/2014

- The Company does not maintain complete policy documents past five (5) months.

Proof Document	Document Type	File Type	Date Received/Completed by Examiners
CRES IR0017NG	Company Response	Email	11/05/2014

- Out of ninety nine (99) Policy and UW review samples, the Company could not provide cancellation confirmation notices for ten (10) of the samples.

Proof Document	Document Type	File Type	Date Received/Completed by Examiners
Cancellation Audit Worksheet	Examiner Audit Template	Excel Spreadsheet	12/05/2014

- The Company cannot ensure that a policy file is complete.

Proof Document	Document Type	File Type	Date Received/Completed by Examiners
CRES IR0023NG	Company Response	Email	11/14/2014

APPENDIX 3

General Exam Standards

Standard #7

- The Company did not allow Consumers who lacked an email address to purchase a policy.

Proof Document	Document Type	File Type	Date Received/Completed by Examiners
CRES IR008NG	Company Response	Email	10/27/2014

- The Company allowed management the ability to waive and refund the policy enrollment fee of \$25 for reasons not filed with the OIC.

Proof Document	Document Type	File Type	Date Received/Completed by Examiners
CRES IR008NG	Company Response	Email	10/27/2014
Enrollment Waived Policy List	Company Documentation 216 policies	Excel Spreadsheet	10/27/2014

- The Company marketed discounts on the enrollment fee in the amount of \$10 and \$15 that were not offered to all consumers equally.

OIC Number	Advertising Type	Discount Amount
MK01	Web Link - Trupanion-affiliates-60x60.pdf	\$10
MK03	Web Link - Trupanion_affiliates_160x600a.pdf	\$10
MK05	Web Link - Trupanion_affiliates_120x600a.pdf	\$10
MK09	Web Link - Trupanion_affiliates_300x250a.pdf	\$10
MK10	Web Link - Trupanion_affiliates_300x250b.pdf	\$10

OIC Number	Advertising Type	Discount Amount
MK11	Web Link - Trupanion_affiliates_250x250b.pdf	\$10
MK12	Web Link - Trupanion_affiliates_728x90a.pdf	\$10
MK13	Web Link Banner - Trupanion_affiliates_468x60.pdf	\$10
MK82	Email - AE1.pdf	\$15
MK87	Email - - Abandoned Enrollment 1C.pdf for	\$15
MK88	Email - Abandoned Enrollment 1D.pdf	\$15
MK89	Email - Abandoned Enrollment 1E.pdf	\$15
MK91	Email - Affiliates.pdf	\$10
MK95	Email - Expired Certs.pdf	\$15
MK104	Email - PIR.pdf	\$10
MK112	Email - Winback (2).pdf	\$15
MK113	Email - Winback.pdf	\$15

- The Company allowed its Customer Service Contact Center employees the ability to refund premium for some but not all policyholders on an equal basis.

OIC Number	Business Type
N0011	New Policy
N0174	New Policy
N0216	New Policy
N0782	New Policy
N1423	New Policy
N1723	New Policy
N2489	New Policy
N2964	New Policy
N3288	New Policy
A0203	Active Policy
A2746	Active Policy
A4676	Active Policy
A6732	Active Policy
C0800	Cancelled Policy

APPENDIX 4

General Exam Standards

Standard #8

The Company failed to provide a full and adequate response in a timely manner on nine (9) Information Requests submitted by the Examiners during the on-site portion of the examination.

IR Number	Date Due	Date Received
IR 0011NG	10/07/2014	11/14/2014
IR 0012NG	10/30/2014	10/30/2014 (Incomplete Response)
IR 0012NG Follow-up	11/04/2014	11/26/2014
IR 0014NG Follow-up	11/14/2014	11/25/2014
IR 0015NG	11/05/2014	11/05/2014 (Incomplete Response)
IR 0015NG Follow-up	11/12/2014	11/26/2014
IR 0017NG	11/05/2014	11/05/2014 (Incomplete Response)
IR 0027NG	11/25/2014	11/26/2014
IR 0028NG	11/21/2014	11/26/2014

APPENDIX 5

Complaint Standards

Standard #1

The Company failed to provide the OIC a response to a consumer complaint inquiry within fifteen (15) business days on two (2) complaints.

Standard #3

The Company failed to respond promptly on two (2) consumer complaint inquiries submitted to the Company by the OIC.

Standard #4

The Company failed to include its legal name and NAIC code on three (3) responses to the OIC regarding consumer complaints.

OIC Complaint #	Standard(s) Failed	Violation Type
1141810	1, 3, 4	Late Response and Legal Name/NAIC Code
1142449	1, 3, 4	Late Response and Legal Name/NAIC Code
1134112	4	Legal Name/NAIC Code

APPENDIX 6

Trupanion Marketing and Sales Standards

Standard #1

The Company used three (3) marketing documents that falsely stated Trupanion, the Company's brand name, is an insurance company.

Standard #2

The Company used ninety three (93) marketing documents that failed to list the Company's legal name and its domicile.

Standard #3

The Company used fifty (50) marketing documents that deceptively inferred that Trupanion, the Company's brand name is an insurer.

Standard #6

The Company used twenty (20) marketing documents that offered a \$10 or \$15 discount on the policy's premium in violation of Washington rebating laws.

Standard #7

The Company used six (6) marketing documents that offered 30-day free policy certificate policyholders the opportunity to convert to a permanent policy with no additional payment required.

Standard #8

The Company used four (4) marketing documents that promoted its Loyalty Program which allowed policyholders to earn points to trade in for Amazon gift cards. The Company did not place a limit on the number of points a policyholder could earn or on the number of gift cards they could receive in a twelve month period.

Proof Document	Document Type	File Type	Date Received/Completed by Examiners
APIC Trupanion Policy Marketing Audit	Examiner Audit Template 169 documents reviewed	Excel Spreadsheet	01/06/2015

APPENDIX 7

PetPartners Marketing and Sales Standards

Standards #2 and #9

The Company allowed the use of five (5) marketing documents by PetPartners, Inc. that failed to list the legal name of the insurer.

Standards #6 and #7

The Company allowed the use of fourteen (14) marketing documents by PetPartners, Inc. that advertised 60 days of free coverage.

Proof Document	Document Type	File Type	Date Received/Completed by Examiners
APIC PetPartners Policy Marketing Audit	Examiner Audit Template 52 documents reviewed	Excel Spreadsheet	12/03/2014

APPENDIX 8

Trupanion Producer Activity Standards

Standard #1

The Company utilized unlicensed producers to sell and solicit insurance in Washington.

Proof Document Name	Document Type	File Type	Date Received/Completed by Examiners
Trupanion Call Recording Review	Examiner Audit Template 24 calls reviewed	Excel Spreadsheet	10/15/2014
WA Shelter Certs 7/1/2013 – 6/30/2014	Company Provided Document 1673 policies	Excel Spreadsheet	12/1/2014
WA Shelter Conversions 7/1/2013 – 6/30/2014	Company Provided Document 230 policies	Excel Spreadsheet	12/1/2014

Standard #2

The Company accepted business from producers who did not have active appointments.

Proof Document Name	Document Type	File Type	Date Received/Completed by Examiners
RES IR 0026NG – IR 006 Independent Producers Followup	Company Information Request Response 37 policies	Email	12/1/2014
APIC Licensing Lapse 11/15/13 to 12/12/13	OIC Producer Licensing Document 236 policies	PDF	12/2/2014

Standard #5

The Company paid commission to unlicensed producers.

Proof Document Name	Document Type	File Type	Date Received/Completed by Examiners
IR 020NG 4 – Shelter Program Payment Report	Company Information Request Response 39 payments	Excel Spreadsheet	11/12/2014
Q3 2014 Sales Performance Bonus Plan	Company Provided Document	Word Document	9/24/2014

APPENDIX 9

PetPartners Producer Activity Standards

Standard #1

The Company utilized unlicensed producers to sell and solicit insurance in Washington.

Proof Document Name	Document Type	File Type	Date Received/Completed by Examiners
PetPartners Call Recording Review	Examiner Audit Template 8 calls reviewed	Excel Spreadsheet	11/13/2014
PetPartners License Cancellation and Renewal	OIC Producer Licensing Document	PDF	12/10/2014

Standard #2

The Company accepted business from producers who did not have active appointments.

Proof Document Name	Document Type	File Type	Date Received/Completed by Examiners
PetPartners Call Recording Review	Examiner Audit Template 8 calls reviewed	Excel Spreadsheet	11/13/2014
PetPartners License Appointment Lapse	OIC Producer Licensing Document	PDF	12/10/2014

APPENDIX 10

Trupanion Form Filing Standards

Standard #1

- The Company used a Declarations page for its 30 day trial policies that included an expiration date in violation of Washington law.

New 30-day Trial Policies with Expiration Dates									
N0527	N0698	N0834	N1030	N1106	N1351	N1399	N1404	N1423	N1621
N1637	N1723	N1843	N1950	N2147	N2328	N2433	N2447	N2489	N2595
N2636	N2988	N3406							

- The Company utilized emails to communicate policy modifications to policyholders that were not filed and approved.

Proof Document Name	Document Type	File Type	Date Received/Completed by Examiners
CRES IR 0028NG APIC Meeting 11/20/2014	Company Information Request Response	Email	12/01/2014

Standard #2

The Company failed to list all forms that constitute a complete policy on the Declarations page.

Proof Document Name	Document Type	File Type	Date Received/Completed by Examiners
New Business UW Sample Review Worksheet	Examiner Audit Template 94 policies reviewed	Excel Spreadsheet	12/10/2014
In Force UW Sample	Examiner Audit Template	Excel Spreadsheet	12/10/2014

Review Worksheet	102 policies reviewed		
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Standard #3

The Company used unfiled emails that did not become part of the policy to communicate policy modifications to policyholders.

Proof Document Name	Document Type	File Type	Date Received/Completed by Examiners
CRES IR0028NG APIC meeting 11/20/2014 Follow-up Items	Company Information Request Response	Email	11/26/2014

Standard #4

The Company used a Declarations page with a revision date that did not match APIC's approved form filing.

Proof Document Name	Document Type	File Type	Date Received/Completed by Examiners
New Business UW Sample Review Worksheet	Examiner Audit Template 94 policies reviewed	Excel Spreadsheet	12/10/2014
In Force UW Sample Review Worksheet	Examiner Audit Template 102 policies reviewed	Excel Spreadsheet	12/10/2014

APPENDIX 11

PetPartners Form Filing Standards

Standard #1

The Company used versions of Amendatory Endorsement and Declarations page forms that did not match its approved form filing.

Proof Document Name	Document Type	File Type	Date Received/Completed by Examiners
New Business UW Sample Review Worksheet	Examiner Audit Template 94 policies reviewed	Excel Spreadsheet	12/10/2014
In Force UW Sample Review Worksheet	Examiner Audit Template 102 policies reviewed	Excel Spreadsheet	12/10/2014

APPENDIX 12

Trupanion Rate Filing Standards

Standard #3

- The Company allowed management the ability to waive and refund the policy enrollment fee for reasons other than those filed.

Proof Document Name	Document Type	File Type	Date Received/Completed by Examiners
CRES IR008NG	Company Information Request Response	Email	10/27/2014
CRES IR0025NG	Company Information Request Response	Email	11/21/2014
Policy Enrollment Fee Waive List	Company Provided Documentation 216 policies	Excel Spreadsheet	10/27/2014

- The Company assigned deductible levels on veterinarian provided 30 day trial certificates for reasons contrary to APIC's approved rate filing.

Proof Document Name	Document Type	File Type	Date Received/Completed by Examiners
CRES IR0010NG	Company Information Request Response	Email	11/26/2014

APPENDIX 13

PetPartners Rate Filing Standards

Standard #2

The Company issued policies under the PetPartners program during a time it did not have filed and approved rates for the product in Washington.

Proof Document Name	Document Type	File Type	Date Received/Completed by Examiners
CRES IR0015NG	Company Information Request Response	Email	11/5/2014
CRES IR 0015NG PetPartners Washington Data Request	Company Provided Documentation	Excel Spreadsheet	11/5/2014

Standard #3

The Company issued five (5) policies with rates that did not match APIC's filed and approved rates.

OIC #	Policy Type
N3600	NEW
N3630	NEW
N3634	NEW
N3637	NEW
A8159	RENEWAL

APPENDIX 14

Trupanion Policy Administration and Underwriting Standards

Standard #3

- The Company did not send out new contracts, Amendatory Endorsements and Declarations pages as required on policy renewals with changes

Proof Document Name	Document Type	File Type	Date Received/Completed by Examiners
CRES IR0028NG	Company Information Request Response	Email	11/26/2014

- The Company did not send out optional ancillary endorsements when added to a policy.

Policies Missing Amendatory Endorsement TRU 000011									
N0011	N0168	N0527	N0657	N0698	N0772	N0834	N0917	N0956	N01030
N1106	N1351	N1399	N1404	N1423	N1621	N1637	N1723	N1738	N1843
N1946	N1950	N2147	N2253	N2328	N2433	N2447	N2489	N2595	N2636
N2988	N3124	N3177	N3406						

Policies Missing Amendatory Endorsements TRU 00009 or TRU 00002									
N0772	N0817	N0897	N0917	N0937	N1076	N1156	N2179	N2636	N2776
N2964	N3152	N3288	N3406	N3423					

Standard #6

The Company failed to send cancellation notices 10 days prior to cancellation as required.

Cancelled Policies Missing 10 Day Cancellation Notice									
C0023	C0072	C0086	C0114	C0118	C0215	C0322	C0328	C0524	C0564
C0653	C0713	C0764	C0960	C1081					

Standard 12

The Company failed to provide the true and accurate reason for policy cancellation on all cancel notices.

Cancelled Policies Missing Specific Cancellation Reason on Notice									
C0005	C0006	C0014	C0015	C0040	C0051	C0061	C0068	C0098	C0168
C0182	C0203	C0227	C0247	C0290	C0300	C0302	C0322	C0446	C0450
C0460	C0522	C0572	C0575	C0580	C0593	C0620	C0640	C0677	C0689
C0752	C0756	C0766	C0779	C0792	C0798	C0800	C0803	C0878	C0902
C0910	C0941	C0951	C0960	C0972	C0997	C1003	C1048	C1063	C1080
C1081	C1084	C1121	C1125	C1126	C1135	C1152	C1183		

Standards #14 and #15

The Company failed to provide the required initial and annual privacy statements to policyholders.

Proof Document Name	Document Type	File Type	Date Received/Completed by Examiners
CRES IR0018NG	Company Information Request Response	Email	11/6/2014

Standard #16

The Company failed to cancel the policy on the date requested by the policyholder.

Cancelled Policies With Cancellation Dates After Policyholder Request Date									
C0006	C0014	C0015	C0051	C0061	C0068	C0135	C0182	C0203	C0247
C0302	C0446	C0450	C0560	C0572	C0575	C0593	C0620	C0655	C0677
C0689	C0752	C0756	C0779	C0792	C0798	C0803	C0851	C0878	C0958
C0972	C0997	C1003	C1126	C1135					