

CERTIFIED MAIL

RETURN RECEIPT REQUESTED

STATE OF ALASKA

DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC

DEVELOPMENT

DIVISION OF INSURANCE

550 W. 7th AVENUE, SUITE 1560

ANCHORAGE, ALASKA 99501-3567

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STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC
DEVELOPMENT
DIVISION OF INSURANCE
550 W. 7th AVENUE, SUITE 1560
ANCHORAGE, ALASKA 99513-3567
PHONE: (907) 269-7900

In the Matter of:)
)
PETS BEST INS SERVICES LLC)
NPN# 8889658)
)
)
)
_____)

Division of Insurance Case No. D24-13

STIPULATED AGREEMENT AND ORDER

The State of Alaska Department of Commerce, Community, and Economic
Development, Division of Insurance (Division), **PETS BEST INS SERVICES LLC**
(**PETS BEST**) the producer in this case, stipulate and agree to the following:

I. BACKGROUND

A. On November 23, 2007, **PETS BEST** received their initial Independent
Adjuster license with Casualty and Property lines of authority, authorizing
the firm to adjust claims in Alaska. This license expired on November 23
of odd numbered years.

PETS BEST INS SERVICES LLC
Stipulated Agreement and Order
D24-13

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- 1 B. On February 2, 2017, **PETS BEST** received their initial Managing
2 General Agent (MGA) license with Casualty, and Property lines of
3 authority, authorizing to transact insurance business in Alaska. This
4 license expires on November 23 of odd numbered years.
5
- 6 C. On September 2, October 5, and November 4, 2021, the Division provided
7 **PETS BEST** renewal notices informing of the impending expiration date
8 of November 23, 2021.
9
- 10 D. On November 23, 2021, **PETS BEST**'s Independent Adjuster and MGA
11 license expired for failure to renew.
- 12 E. On December 7, 2021, an expiration notice was provided to **PETS BEST**
13 informing that the firm's Independent Adjuster and MGA license had
14 expired for failure to renew on November 23, 2021.
15
- 16 F. On December 5, 2023, an incomplete reinstatement application for the
17 MGA license was received from **PETS BEST**.
- 18 G. On December 12, 2023, correspondence was provided to **PETS BEST**
19 regarding deficiencies in their MGA application. To reinstate, the firm
20 must designate a Responsible Licensed Producer and provide an
21 application for the Designated Responsible Licensed Producer (DRLP)
22 indicated in the application to the Division. The Division requested a
23 Business Transaction Form (BTF). The Division additionally requested
24 copies of the MGA contracts provided on Part III of the MGA application
25 covering insurer contracts. That same day an application for a(n) MGA
26
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28

1 license was received by the Division for **MELISSA GUTIERREZ**
2 (**GUTIERREZ**) the DRLP listed in **PETS BEST**'s MGA application.

3
4 H. On December 19, 2023, **PETS BEST** contacted our office regarding the
5 BTF request, and informed our office that the BTF should not be required.

6 The Division informed **PETS BEST** that under Alaska Statute (AS)
7 21.27.350 the Division has authority to request business records for a firm
8 operating in Alaska for 5 years following the activity.

9
10 I. On December 20, 2023, **PETS BEST** provided Part III for the DRLP,
11 **GUTIERREZ**, and the agency. Both documents were found to be in
12 violation of AS 21.27.620(a)(3) and the forms were incomplete. No BTF
13 was received.

14
15 J. On December 28, 2023, correspondence was provided to **GUTIERREZ**
16 to complete her MGA application by providing Part III of the MGA
17 application covering insurer contracts.

18
19 K. On January 9, 2024, **PETS BEST** provided updated Part III's for the
20 pending applications but did not provide the documents with copies of the
21 relevant insurer contracts and failed to provide copies of their audit reports
22 as required under AS 21.27.620(a)(3).

23
24 L. On January 12, 2024, the Division requested the outstanding
25 documentation. No BTF was received.

26
27 M. On January 10, 2024, **PETS BEST** requested an extension on the BTF and
28 to ensure that the application would not be rejected. The Division
29 informed of AS 21.27.040(f) which provides applications pending in

1 Alaska for 120 days before rejection, and that the application would not be
2 deemed withdrawn until after April 4, 2024.

3
4 N. On January 12, 2024, **PETS BEST** reached out to the Division with
5 clarifying questions on how to complete the BTF.

6 O. On January 16, 2024, **PETS BEST** provided the required documentation
7 of the insurer contracts and audits. No BTF was received.

8
9 P. On January 24, 2024, the Division received a telephone call from **PETS**
10 **BEST** indicating that the BTF file was too large to email and would need
11 to be provided an alternative way. The Division provided instructions on
12 how to submit a file to AlaskaZendTo, the State of Alaska's secure drop
13 box portal.

14
15 Q. On January 25, 2024, **PETS BEST** provided a BTF which was
16 incomplete. It was not signed by the DRLP and did not indicate the
17 amount of compensation received.

18
19 R. On February 1, 2024, **PETS BEST** provided complete documentation in
20 support of the application for **GUTIERREZ** and the application was
21 approved.

22
23 S. On February 13, 2024, the Division approved the MGA application for
24 **GUTIERREZ** and for **PETS BEST**.

25
26 T. On February 14, 2024, the Division requested clarification on the BTF that
27 was provided without compensation information listed. The Division
28 requested complete documentation pursuant to AS 21.27.350 by February
29 23, 2024.

1 U. **PETS BEST** maintained the position that they were unable to identify the
2 compensation on the BTF. Unable to move forward, the Division licensing
3 examiner working on the file forwarded the information to their
4 supervisor. On March 13, 2023, the Program Coordinator for the licensing
5 section completed initial review of the BTF submitted by **PETS BEST**
6 and requested compensation to be listed. **PETS BEST** was informed that
7 failure to document compensation was in violation of insurance code and
8 would result in additional penalties under AS 21.27.440.
9

10
11 V. On March 14, 2024, **PETS BEST** responded indicating that they were
12 unable to indicate the compensation as they were not compensated on a
13 per claim basis for processing claims, but on a sliding scale commission
14 percentage of earned premium.
15

16 W. On March 14, 2024, the Division responded requesting total compensation
17 earned for the periods unlicensed, between November 2021 and February
18 2024. The Division informed of the violations the firm faced for failure to
19 provide this information as required under AS 21.27.350.
20

21 X. **PETS BEST** provided additional information which included
22 compensation on March 26, 2024. Upon review of the BTF and
23 information provided, it was revealed that substantial insurance business
24 took place between November 23, 2021, to February 13, 2024, when the
25 MGA and Independent Adjuster license were in expired status, resulting in
26 \$208,913.18 compensation received by **PETS BEST**.
27
28

1 Y. **PETS BEST** operated without a valid license and the Division is
2 assessing civil penalty in the amount of 31% of total compensation
3 received for a total of \$64,763. The penalty of \$64,763 is payable to the
4 Division.
5

6 II. TERMS OF AGREEMENT

7 A. Between November 23, 2021, to February 13, 2024, **PETS BEST** engaged
8 in insurance business prior to the license reinstatement date of February
9 13, 2024, all of which was in violation of AS 21.24.010 which subjects
10 **PETS BEST** to civil penalties. AS 21.27.440(a) provides that “in addition
11 to any other penalties provided by law, a person that the director
12 determines under AS 21.06.170-21.06.240 has violated the provisions of
13 this chapter is subject to (1) a civil penalty equal to the compensation
14 promised, paid, or to be paid, directly or indirectly, to a person in regard to
15 each violation; (2) either a civil penalty of not more than \$10,000 for each
16 violation or a civil penalty of not more than \$25,000 for each violation if
17 the director determines that the person willfully violated the provisions of
18 this chapter; and (3) denial, nonrenewal, suspension, or revocation of a
19 license.” The director has the latitude to impose civil penalties against a
20 person who has violated Alaska’s insurance laws.
21

22 B. **PETS BEST** further agrees to pay the civil penalty in the amount of
23 \$64,763 for activity that occurred prior to the reinstatement of firm
24 license. The penalty of \$64,763 must be received by the Division within
25 30 days of the signature finalizing this agreement.
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29 PETS BEST INS SERVICES LLC
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C. By signing this agreement, **PETS BEST** understands and agrees that any failure to comply with the terms of this agreement will be grounds to revoke, suspend, or non-renew of license number 67453.

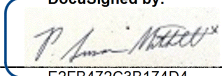
D. **PETS BEST** understands that this agreement is not binding on the parties unless and until the director signs the order approving the agreement.

DATED: 10/15/2024

Signed by:

By: _____
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Craig Lowary - Treasurer
PETS BEST INS SERVICES LLC
License #67453

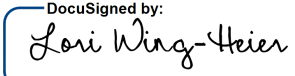
Approved as to form and content:
DATED: 10/15/2024

DocuSigned by:

By: _____
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Susan Mitchell
Assistant Attorney General

ORDER

IT IS FURTHER ORDERED that this Stipulated Agreement and Order is adopted in full resolution of the civil liability issues between the parties to this agreement in these cases and shall constitute the final order in these matters.

DATED this 15th day of October, 2024.

DocuSigned by:


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LORI WING-HEIER, DIRECTOR
DIVISION OF INSURANCE

PETS BEST INS SERVICES LLC
Stipulated Agreement and Order
D24-13

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I hereby certify that, on the _____ day of _____, 2024, I mailed copies of the accusation to:

PETS BEST INS SERVICES LLC
10840 BALLANTYNE COMMONS PKWY
CHARLOTTE, NORTH CAROLINA 28277-2492
United States

DocuSigned by:



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