STATE OF ARIZONA

Department of Insurance and Financial Institutions FILED JULY 14, 2023 by GE

STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of:

PROFESSIONAL INSURANCE SOLUTIONS, INC.

No. 23A- 039 -INS

ORDER TO CEASE AND DESIST

Respondent.

The Arizona Department of Insurance and Financial Institutions ("Department") received evidence that Professional Insurance Solutions, Inc. ("PIS" or "Respondent") is currently transacting insurance business in the State of Arizona without complying with the applicable provisions of Title 20 of the Arizona Revised Statutes ("A.R.S."). Accordingly, the Director of the Department ("Director") makes the following Findings of Fact and Conclusions of Law and enters the following Order pursuant to A.R.S. § 20-401.02

FINDINGS OF FACT

- 1. Respondent does not hold any certificate of authority in Arizona authorizing it to issue contracts of insurance and indemnify persons in this state.
- 2. On May 24, 2023, the Department received an email from J. W. via its consumer facing inbox. In her email, J.W. explained that she received an insurance quote from a person named Ben Gregg. She explained that the company he was representing was Professional Insurance Solutions, Inc. J.W. explained that Mr. Gregg quoted her a very

reduced rate compared to other quotes she had received, but explained that Mr. Gregg became very elusive when asked about the policy's coverage and who the actual carrier of the policy is. Later, J.W. provided an email dated May 23, 2023 addressed to her by Mr. Ben Gregg stating that "PISolutions is the carrier and the quote is \$2850." Mr. Gregg attached a sample policy to that email.

- 3. The Department initiated an investigation into the matter and found the following:
 - a. Mr. Ben Gregg, full name Douglas Benjamin Gregg, holds, at the initiation of the investigation, a resident insurance producer license in the state of Tennessee. His producer license encompasses five lines of authority: property, casualty, accident, and health, life and variable life/variable annuity.
 - b. Professional Insurance Solutions, **LLC** (emphasis added) is registered with the Tennessee Division of Business Services with Mr. Gregg appearing as the only member and statutory agent.
 - c. Neither Professional Insurance Solutions, Inc. nor Professional Insurance Solutions, LLC are registered with the Arizona Corporation Commission.
 - d. On June 17, 2023, Mr. Gregg applied for and was issued a non-resident insurance producer license, license number 7712404, in Arizona. Mr. Gregg's physical address of record with the Department are listed as 6000 Blackwell Ln, Franklin, Tennessee 37064. Mr. Gregg's business and personal emails are listed as ben.gregg@hotmail.com.

- e. On June 9, 2023, the Department sent an email to Mr. Gregg to inquire into the solicitation and sale of insurance policies in Arizona. The Department inquired as to Mr. Gregg's authority to sell insurance policies in Arizona and clarification as to the carrier issuing insurance policies identified by the complainant.
- f. On June 12, 2023, the Department's investigator conducted a telephone call with Mr. Gregg. During the call, Mr. Gregg claimed he was selling policies in Arizona as an offshore captive agent, and that he has been selling policies in Arizona since 2018 or 2019. The The Department's investigator reminded Mr. Gregg that he still needed to provide his written statement officially responding to the Department's June 9, 2023 correspondence.
- g. On June 19, 2023, Mr. Gregg submitted his narrative statement, dated June 17, 2023. In his response, Mr. Gregg stated that around 2016 he "successfully started PISolutions" as an offshore captive. In his response Mr. Gregg explained that PISolutions has issued many policies in Arizona and that he has paid claims paid to customers. Mr. Gregg failed to provide any certificate of authority authorizing him to issue individual insurance policies to individuals that are not affiliated with Respondent.
- h. On June 20, 2023, Mr. Gregg provided a list of thirty-seven (37) names and email addresses he claims are the only Arizona consumers to whom PI Solutions had issued policies since January 1, 2023. Mr. Gregg failed to

provide a comprehensive list of all policies he has sold in Arizona before January 1, 2023.

- i. The Department obtained several consumer policies issued by Respondent. The policies had Respondent's name prominently displayed on each page of the policy and clearly set out the terms of the insurance contract. The policies purported to be for Dental/Medspa Professional Liability Coverage. Some of the policies were issued in 2023 with some having expiration dates into year 2024.
- j. Respondent, through Mr. Gregg, issues individual policies to consumers in Arizona that represent Respondent as the insurer. Furthermore, each policyholder or their employer does not have any connection to Respondent and are not members or owners of any entity connected to Respondent.

CONCLUSIONS OF LAW

- 4. Respondent's conduct, as alleged above, constitutes engaging in the business of making contracts of insurance indemnification in this State, within the meaning of A.R.S. §§ 20-103, 20-104, and 20-106.
- 5. Respondent continues to issue new and renewal policies to Arizona residents by indemnifying the associated risk and without the required certificate of authority or license to transact insurance, including any captive insurance. A.R.S. §§ 20-1098, 20-1098.01.

- 6. Respondent's conduct, as alleged above, constitutes the transaction of insurance in this state without complying with the applicable provisions of A.R.S. Title 20, in violation of A.R.S. § 20-107.
- 7. Respondent's conduct, as alleged above, constitutes the acting and transacting insurance in this state without the authorization to do so granted by the Director, in violation of A.R.S. § 20-206.
- 8. Respondent's conduct, as alleged above, constitutes the unlawful transaction of insurance business in this state without a certificate of authority from the Director, within the meaning of A.R.S. § 20-401.01(A).
- 9. Respondent's conduct, as alleged above, constitutes the knowing transaction of an insurance business as an unauthorized insurer, in violation of A.R.S. § 20-401.06.
- 10. Grounds exist for the Director to order Respondent to cease and desist its violations pursuant to A.R.S. § 20-401.02.
- 11. The transaction of business in violation of A.R.S. § 20-401.01 does not impair the validity of any act or contract of the insurer, pursuant to A.R.S. § 20-402.

ORDER

IT IS HEREBY ORDERED THAT:

- 1. Respondent shall immediately cease and desist from effectuating new or renewal contracts of insurance in Arizona and collecting premiums.
- 2. Respondent shall mail Notices of Cancelation to all current policyholders by August 13, 2023, including return of any unearned premiums.

1 3. Nothing in this Order shall limit Respondent's ability and duty to facilitate the lawful administration of all current policies until all policies are canceled in accordance with this Order. 3 4 NOTICE OF OPPORTUNITY FOR HEARING 5 Pursuant to Title 20 of the Arizona Revised Statutes, Respondent is hereby notified that it may request a hearing pursuant to A.R.S. § 20-161 to contest the order to cease and 6 7 desist. Such a request must be in writing and received at the following address within thirty 8 (30) days from the date hereof: 9 Arizona Department of Insurance and Financial Institutions Attn: Gio Espinosa, Regulatory Legal Affairs Officer 10 100 North 15th Avenue, Suite 261 11 Phoenix, Arizona 85007-2630 12 Upon receipt of a timely written request for hearing, the Department will issue an 13 order setting the time and place of the hearing. 14 Barbara D. Richardson 15 Barbara D. Richardson, Director 16 Arizona Department of Insurance and **Financial Institutions** 17 18 19 20 21 22

1	ORIGINAL of the foregoing filed this, 2023, in the office of:
2	
3	Barbara D. Richardson, Director Arizona Department of Insurance and Financial Institutions Attn: Ana Starcevic
4	100 North 15 th Avenue, Suite 261 Phoenix, AZ 85007-2630
5	
6	COPY of the foregoing delivered by E-mail, to:
7	
8	COPY of the foregoing delivered/emailed same date, to:
9	Gio Espinosa, Regulatory Legal Affairs Officer Ana Starcevic, Paralegal Project Specialist
10	Erin Klug, Assistant Director
10	Arizona Department of Insurance and Financial Institutions 100 North 15th Avenue, Suite 261
11	Phoenix, Arizona 85007-2630
12	
13	Francine Juarez
14	Gio Espinosa
15	
16	
17	
18	
19	
20	
21	
22	