

**STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT**

In re: Eusoh, Inc.

Docket No.: INS No. 22-018-EP

**ORDER TO SHOW CAUSE
AND
NOTICE OF HEARING**

The New Hampshire Insurance Department (“NHID”) orders Eusoh, Inc. to show cause why the New Hampshire Insurance Commissioner should not order Eusoh, Inc. to cease and desist its operations in New Hampshire and/or levy an administrative fine in the maximum amount allowed by law. In support of the Order to Show Cause and pursuant to RSA 541-A:31, RSA 400-A:3, RSA 400-A:17 *et seq.*, RSA 417:6, *et seq.* and Ins Part 200, the NHID states as follows:

STATEMENT OF FACTS

1. Eusoh, Inc. (“Eusoh”) is a foreign corporation incorporated under the laws of Delaware and headquartered in California.
2. Eusoh is not licensed as an insurance company and holds no licenses, certificates, or other approvals to engage in the business of insurance in New Hampshire.
3. Eusoh markets, solicits and administers pet insurance plans in New Hampshire and advertises its products as an alternative to traditional pet insurance.
4. Eusoh does this through the use of a digital platform by which consumers pay a fee to Eusoh and share pet care expenses among members of the Eusoh platform.
5. Eusoh asserts it is not an insurance company, but contrary to its assertions, is engaged in the business of insurance, by:
 - a. Facilitating the transfer of risk through its platform among members;
 - b. Making an insurance contract between Eusoh and its members;
 - c. Receiving insurance applications from prospective members to join its platform;
 - d. Receiving premium, commission, membership fees, assessments, dues or other consideration from its members for any insurance or any part thereof;
 - e. Issuing and/or delivering contracts and/or certificates of insurance to members; and
 - f. Directly or indirectly acting as an agent for or otherwise representing or aiding on behalf of its members in the solicitation, negotiation, procurement, or

effectuation of insurance or renewals, and/or delivery of policies or contracts, or inspection of risks, a fixing of rates or investigation or adjustment of claims or losses or in the transaction of matters subsequent to effectuation of the contract and arising out of it.

APPLICABLE NEW HAMPSHIRE LAWS

6. NH RSA 406-B:3 states that, “(no) unlicensed person or insurer shall directly or indirectly do any of the acts of an insurance business set forth in RSA 406-B:2 except as provided by and in accordance with the specific authorization of statute.”
7. The following acts, when done on behalf of an unlicensed person or insurer, are deemed to constitute the transaction or doing of insurance business in this state:
 - a. The making of or proposing to make as an insurer an insurance contract;
 - b. The taking or receiving of any application for insurance;
 - c. The receiving or collection of any premium, commission, membership fees, assessments, dues or other consideration for any insurance or any part thereof;
 - d. The issuance or delivery of contracts or certificates of insurance to residents of this state;
 - e. Directly or indirectly acting as an agent for or otherwise representing or aiding another person or insurer in the solicitation, negotiation, procurement, or effectuation of insurance or renewals thereof, or in the dissemination of information as to coverage or rates, or forwarding of applications, or delivery of policies or contracts, or inspection of risks, a fixing of rates or investigation or adjustment of claims or losses or in the transaction of matters subsequent to effectuation of the contract and arising out of it, or in any other manner representing or assisting a person or insurer in the transaction of insurance with respect to subjects of insurance resident, located or to be performed in this state;
 - f. Doing any kind of insurance business specifically recognized as constituting the doing of an insurance business within the meaning of the insurance statutes;
 - g. Doing or proposing to do any business equivalent in substance to any of the foregoing in a manner designed to evade the provisions of the statutes; and
 - h. Any other transactions of business in this state by an insurer.

LEGAL ALLEGATIONS and/or VIOLATIONS

8. Through the use of its digital platform, Eusoh is facilitating the unauthorized business of insurance in New Hampshire, and is acting as an unlicensed insurance company in violation of RSA 406-B:3 and RSA 417 by:
 - a. Facilitating the transfer of risk through its platform among members in violation of RSA 406-B:2;

- b. Making an insurance contract between Eusoh and its members in violation of RSA 406-B:2, I;
- c. Receiving insurance applications from prospective members to join its platform, in violation of RSA 406-B:2, III;
- d. Receiving premium, commission, membership fees, assessments, dues or other consideration from its members for any insurance or any part thereof in violation of RSA 406-B:2, IV;
- e. Issuing and/or delivering contracts and/or certificates of insurance to members in NH in violation of RSA 406-B:2, V;
- f. Directly or indirectly acting as an agent for or otherwise representing or aiding on behalf of its members in the solicitation, negotiation, procurement, or effectuation of insurance or renewals, and/or delivery of policies or contracts, or inspection of risks, a fixing of rates or investigation or adjustment of claims or losses or in the transaction of matters subsequent to effectuation of the contract and arising out of it in violation of RSA 406-B:2, VI; and
- g. Doing all of the above in a manner designed to evade the provisions of these statutes, in violation of RSA 406-B:2, VIII.

NEW HAMPSHIRE INSURANCE LAWS VIOLATED BY RESPONDENT

- 9. Respondent violated RSA 406-B by facilitating the unauthorized business of insurance in New Hampshire.
- 10. Respondent violated RSA 417:3 and 417:4 by deceiving NH consumers into believing they had joined a valid insurance program to share pet care costs.
- 11. The NHID reserves the right to amend this list of insurance laws violated by the Respondent upon reasonable notice to the Commissioner (or his designated Representative) and the Respondent.

PENALTY REQUESTED

- 12. In the event the Hearing Officer determines after evidentiary hearing that the NHID sustained its burden of proof with respect to the allegations of fact and violations of law outlined above, the NHID request that the Hearing Officer,
 - (i) Order Eusoh to Cease and Desist doing all current and future business within New Hampshire;
 - (ii) Levy an administrative penalty in the maximum amount allowed by law for each violation of NH RSA 406-B:2, as well as NH RSA 417:3 and NH RSA 417:4, per NH RSA 400-A:15, III at \$2,500 per violation.

NOTICE OF HEARING

13. An adjudicatory proceeding shall be commenced for the purpose of resolving the issues articulated above pursuant to RSA 541-A:31, RSA 400-A:17:6, *et seq.*, RSA 417:6, *et seq.*, and Ins 200. To the extent that the Department's rules do not address an issue of policy or procedures, the Department shall apply the N.H. Department of Justice Rules, Part 800.
14. The Respondent shall appear at Department **on Tuesday, April 26, 2022 at 1 PM** at the Department's office located at 21 South Fruit Street, Suite 14, in Concord New Hampshire to participate in this adjudicatory proceeding and, if deemed appropriate, be subject to sanctions pursuant to RSA 400-A:15, III. Respondent's failure to appear at the time and place specified above may result in the hearing being held *in absentia* and sanctions may be imposed without further notice or an opportunity to be heard.
15. Steven Notinger Esq. is appointed to act as Hearing Officer in this matter with all the authority within the scope of RSA 400-A:19 and Ins 203.01.
16. Sandra Barlow shall serve as clerk to the Hearing Officer. The parties should direct all communications to Ms. Barlow, whose contact information is:

Sandra Barlow, Clerk
New Hampshire Insurance Department
21 South Fruit Street, Suite 14
Concord, NH 03301
Tel: (603) 271-2033
Fax: (603)271-1406
Email: sandra.barlow@ins.nh.gov
17. The Respondent has the right to be represented by a lawyer in this proceeding. However, the Respondent shall bear the cost of retaining said lawyer. Should the Respondent elect to retain a lawyer, its lawyer shall file a Notice of Appearance with Ms. Barlow, and said lawyer should do so at the earliest possible date. A copy of the NHID's Notice of Appearance form is enclosed with this Order.
18. Any party may request a transcript of the proceeding. The party requesting a transcript of the proceedings shall file a written request for a certified court reporter with the Hearing Officer at least 10 days prior to the scheduled hearing date. The costs incurred for the services of a certified court reporter shall be borne by the requesting party.
19. Joshua Hilliard, Esq. shall serve as staff advocate representing the interests of the NHID.
20. All routine procedural inquiries may be made by contacting Sandra Barlow, Hearing Clerk, New Hampshire Insurance Department, 21 South Fruit Street, Suite 14,


Concord NH 03301, (603) 271-2033, but that all other communications with the Hearing Officer and the Commissioner shall be in writing and filed as provided above. *Ex parte* communications are forbidden by statute and the Department's regulations.

21. A copy of this hearing notice shall be served upon Respondent by certified mail addressed to its mailing address. NH RSA 400-A:14.

It is **SO ORDERED**.

NEW HAMPSHIRE INSURANCE DEPARTMENT


Date: 3/22/2022


Christopher Nicolopoulos,
Insurance Commissioner

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing Order to Show Cause and Notice of Hearing was sent this date by first-class mail, postage prepaid, and by certified mail, return receipt requested, to Eusoh, Inc. 9001 Wilshire Blvd, Suite 207, Beverly Hills, CA 90211, and by e-mail to corporate@eusoh.com.

Date: 3/22/22


Joshua Hilliard, Esq.