

STATE OF ARIZONA  
Department of Insurance and Financial Institutions  
**FILED** February 16, 2024 by AS

**STATE OF ARIZONA**

**DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS**

**In the Matter of:**

**PROFESSIONAL INSURANCE  
SOLUTIONS, INC. A/K/A  
PISOLUTIONS, LLC**

**No. 23A-039-INS  
ORDER**

Respondent.

On February 5, 2024, the Office of Administrative Hearings, through Administrative Law Judge Kay A. Abramsohn, issued an Administrative Law Judge Decision (“Recommended Decision”). The Arizona Department of Insurance and Financial Institutions’ (“Department”) Executive Deputy Director (“EDD”) received the Recommended Decision on the same date, a copy of which is attached and incorporated by reference. Respondent failed to accept the Recommended Decision within ten days of receipt. Therefore, the EDD has reviewed the Recommended Decision and enters the following:

1. The Department ADOPTS the Findings of Fact,
2. The Department ADOPTS the Conclusions of Law,
3. The Department ADOPTS the Recommended Order, and
4. The Department ORDERS that the Cease and Desist Order dated July 14, 2023, is affirmed. The Department further ORDERS that Respondent’s appeal is denied.

**NOTIFICATION OF RIGHTS**

Pursuant to Arizona Revised Statutes (“A.R.S.”) § 41-1092.09, Respondent may request a rehearing or review with respect to this Order by filing a written motion with the Department within 30 days after the date of this Order, setting forth the basis for relief under Arizona Administrative Code R20-6-114(B). Pursuant to A.R.S. § 41-1092.09, it is not necessary to request a rehearing before filing an appeal to the Superior Court.

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Respondent may appeal the final decision of the Department to the Superior Court of Maricopa County for judicial review, pursuant to A.R.S. § 20-166. A party filing an appeal must notify the Office of Administrative Hearings of the appeal within ten days after filing the complaint commencing the appeal, pursuant to A.R.S. § 12-904(B).

DATED and EFFECTIVE this 16<sup>th</sup> day of February, 2024.

*Barbara D. Richardson*

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Barbara D. Richardson  
Cabinet Executive Officer  
Executive Deputy Director  
Arizona Department of Insurance and Financial Institutions

1 **ORIGINAL** of the foregoing filed electronically  
this 16th day of February, 2024, to:

2 Kay A. Abramsohn, Administrative Law Judge  
3 <https://portal.azoah.com/submission>  
4 Office of Administrative Hearings

5 **COPY** of the foregoing delivered the same date, to:

6 Deian Ousounov, Chief Financial Deputy Director  
7 Alena Caravetta, Regulatory Legal Affairs Officer  
8 Ana Starcevic, Paralegal Project Specialist  
9 Steven Fromholtz, Licensing Division Manager  
10 Aqueelah Currie, Licensing Supervisor  
11 Linda Lutz, Legal Assistant  
12 Wendy Greenwood, Investigations Supervisor  
13 Arizona Department of Insurance and Financial Institutions  
14 100 North 15th Avenue, Suite 261  
15 Phoenix, Arizona 85007

16 **COPY** mailed the same date by U.S First Class and  
17 Certified Mail, Return Receipt Requested, to:

18 Professional Insurance Solutions, Inc.  
19 a/k/a PISolutions, LLC  
20 Attn: Douglas B. Gregg  
21 1214 Temple Crest Drive  
22 Franklin, TN 37069

23 *Respondent* 9489 0090 0027 6486 6592 19

24 **COPY** sent via electronic mail  
25 this same date to:

26 Professional Insurance Solutions, Inc.  
PISolutions, LLC  
Attn: Douglas B. Gregg  
[ben@pisolutionspro.com](mailto:ben@pisolutionspro.com)  
[ben.gregg@hotmail.com](mailto:ben.gregg@hotmail.com)

*Respondent*

1 James Rolstead, Assistant Attorney General

2 [James.Rolstead@azag.gov](mailto:James.Rolstead@azag.gov)

3 [AdminLaw@azag.gov](mailto:AdminLaw@azag.gov)

4 *Attorney for the Department*

5 *Ana Starcevic*

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**IN THE OFFICE OF ADMINISTRATIVE HEARINGS**

In the Matter of:

**No. 23A-039-INS**

Professional Insurance Solutions, Inc.,  
Respondent.

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**HEARING:** October 27, 2023 and January 22, 2024.

**APPEARANCES:** Douglas B. Gregg represented Respondent Professional Insurance Solutions, Inc. (Respondent). Assistant Attorney General James M. Rolstead represented the Arizona Department of Insurance and Financial Institutions (Department).

**ADMINISTRATIVE LAW JUDGE:** Kay A. Abramsohn

**EXHIBITS ADMITTED INTO EVIDENCE:** Department Exhibits 1 through 15; Respondent Exhibits A through E.

**FINDINGS OF FACT**

1. Professional Insurance Solutions, Inc. (Respondent) is an entity registered with the Tennessee Division of Business Services.<sup>1</sup> Douglas Benjamin Gregg (Gregg) is the member manager and registered agent of Respondent. Respondent has three owners: Gregg, Rich DeLuca, and Gary Dunham.<sup>2</sup>

2. On May 24, 2023, the Department received an email from Jacqueline Ward, an Arizona nurse practitioner, who expressed her concerns regarding a professional liability insurance quote she received from Ben Gregg.<sup>3</sup>

3. In her complaint, Ms. Ward states, in part,

[H]is company is listed as Professional Insurance Solutions Inc. with the website [www.pisolutionspro.com](http://www.pisolutionspro.com). He was referred to me by my daughter who has several friends who are esthetic nurses who purchased liability insurance from him.

[Gregg] quoted me a very reduced rate compared to other quotes I received. When I asked him for a PDF showing coverage with inclusions and exclusions, as well as who the insurance carrier was, he became very elusive and vague with his answers and stated that his company is the carrier ... I am just concerned that there are nurses who think they are covered with malpractice insurance and indeed might not be.

<sup>1</sup>Professional Insurance Solutions, Inc. is also known as PISolutions LLC.

<sup>2</sup> See Exhibit 15.

<sup>3</sup> See Exhibit 1.

1 4. Ms. Ward also forwarded to the Department an email she received from Ben  
2 Gregg on May 23, 2023 which stated, in part:

3 I believe we discussed that PISolutions is the carrier and the quote is \$2850.  
4 With the 5% full-pay discount the annual premium is \$2707. I have attached  
5 a sample policy.<sup>4</sup>

6 5. The sample policy attached to Ben Gregg's email shows Respondent as the  
7 carrier which is providing Medspa Professional Liability Coverage.<sup>5</sup>

8 6. Upon searching the website provided by Ms. Ward in her email, the Department  
9 found, among the information displayed, the following:

- 10 • "Your Top Rated Local ® Professional Liability Insurance"
- 11 • The homepage stated, "[b]y offering medical liability insurance for  
12 dentists, med spa owners, chiropractors, psychologists, psychiatrists and  
13 wellness centers, Professional Insurance Solutions helps small business  
14 owners with comprehensive liability insurance protection against both errors  
15 and omissions and product liability claims."
- 16 • Under "About Us" is the statement, "[a]s a captive small business liability  
17 insurance company, our coverage risk is pooled only with others who  
18 practice within the same profession. This helps to keep our medical liability  
19 insurance rates low."
- 20 • Under "Our Services" is the statement, "[w]ith years of knowledge behind  
21 us, we are the experts to turn to when looking for insurance for your small  
22 business. Profession Insurance Solution's comprehensive risk  
23 management program allows us to offer greater discounts, and our in-house  
24 approach and online quoting system reduces operating expenses that we  
25 pass on to you."

26 7. During its investigation, the Department conducted a license search on the  
27 National Association of Insurance Commissioners (NAIC) database for "Ben Gregg." The  
28 search revealed that his full name is Douglas B. Gregg (Gregg) and that he holds a  
29 resident insurance producer license in Tennessee, National Producer Number 7712404.  
30 The Department's search further revealed that Gregg was not licensed in any other state  
or U.S. territory.

8. "PISolutions, LLC" has been registered with the Tennessee Secretary of State,  
Division of Business Services, as a domestic limited liability company since October 10,

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<sup>4</sup> See Exhibit 2.

<sup>5</sup> See Exhibit 3.

1 2016. Neither "Professional Insurance Solutions, Inc." nor "PISolutions, LLC" is licensed  
2 as an insurance producer business entity in any state or U.S. territory.

3 9. Neither "Professional Insurance Solutions, Inc." nor "PISolutions, LLC" is  
4 registered with the Arizona Corporation Commission. However, Ms. Ward's email and  
5 the information she provided demonstrated that, in fact, Respondent was transacting  
6 insurance business in the State of Arizona.<sup>6</sup>

7 10. On June 9, 2023, the Department sent an email to Gregg requesting that he  
8 provide the authority under which he is actively selling insurance policies in Arizona and  
9 who the carrier is for the insurance policies.<sup>7</sup>

10 11. On June 12, 2023, the Department's investigator spoke with Gregg by telephone.  
11 The following day, the investigator sent an email to Gregg summarizing the telephone  
12 conversation. The summary included the following:

- 13 • You confirmed that at present you are only licensed as an insurance  
14 producer (individual) in TN.
- 15 • You confirmed that your company...is not a licensed insurance producer  
16 (entity) but the company is registered with the TN Secretary of State.
- 17 • You advised that you are an 'offshore captive' agent.
- 18 • To the best of your recollection, you sold your first professional liability  
19 policy to an AZ consumer in 2018-19. (Please confirm).

20 The Department's investigator also reminded Gregg to submit a written response to the  
21 Department's June 9, 2023 correspondence.

22 12. In June 2023, Gregg applied for and was issued an Arizona non-resident insurance  
23 producer license, National Producer Number 7712404, effective June 17, 2023.<sup>8</sup>

24 13. On June 20, 2023, Gregg provided to the Department a list of 37 names and  
25 corresponding email addresses for Arizona consumers with whom Respondent has made  
26 contracts of insurance since January 1, 2023.

27 14. The Department contacted some names on the list and obtained and reviewed  
28 several contracts of insurance that had been made by Respondent with those Arizona  
29 consumers. The Department found that some of the contracts were made in 2023 and  
30 have expiration dates in 2024.

<sup>6</sup> See Arizona Revised Statutes (A.R.S.) § 20-106.

<sup>7</sup> See Exhibit 7.

<sup>8</sup> See Exhibit 9.

1 15. Gregg provided to the Department a copy of Respondent's Certificate of Renewal  
2 (Certificate) from the Island of Nevis (Nevis), Financial Services Regulation and  
3 Supervision Department, Office of the Registrar of International Insurance. The  
4 Certificate has an expiration date of December 31, 2023.<sup>9</sup> The Certificate states as  
5 follows:

6 Professional Insurance Solutions, Inc. is duly registered to carry on  
7 Insurance Business in the class of Captive Insurer from within the Island of  
8 Nevis in accordance with the provisions of section 10 of the Ordinance.

9 16. The Department's Chief Captive Analyst verified with Simone Ottley, the Nevis  
10 Registrar of International Insurance, that the Nevis Certificate issued was for Pure Captive  
11 Insurance and not for Association Captive insurance.

12 17. On July 14, 2023, the Department issued an Order to Cease and Desist (CD Order)  
13 against Respondent, prohibiting Respondent from effectuating new or renewal contracts  
14 of insurance in Arizona and collecting premiums.<sup>10</sup> The CD Order also required  
15 Respondent to mail Notices of Cancellation to all current policyholders by August 13,  
16 2023, including the return of any unearned premiums.

17 18. On August 2, 2023, the Department received a Notice of Appearance and Request  
18 for Hearing contesting the CD Order and requesting a hearing.<sup>11</sup>

19 19. The Department's position is that Respondent was not authorized to issue its  
20 policies in Arizona because (a) at the time of some policy issuances, Respondent did not  
21 have any license to transact insurance business in Arizona, and (B) subsequently,  
22 Respondent did not have the appropriate Arizona licensing authority. The Department  
23 argued that Respondent's Certificate of Captive Insurance licensure in Nevis allows  
24 Respondent to issue policies only to Respondent's owners; further, that Respondent's  
25 three owners are the only members of Respondent.<sup>12</sup>

26 20. Respondent's position is that his licensing authority through Nevis is not Pure  
27 Captive but is an Association Captive licensure, which allows Respondent's to issue this  
28 particular insurance to its "Association" MedSpa members. Respondent argued that its  
29 policies are only issued to MedSpa owners who fully understand the nature and breadth  
30 of the policy they obtain and that they join the "association" to have some tax advantages

<sup>9</sup> See Exhibit 11.

<sup>10</sup> See Exhibit 12.

<sup>11</sup> The attorney who filed the appearance subsequently withdrew as Respondent's representative. During the time this matter has been in the administrative process, the parties have had informal discussions regarding this appeal and other Arizona licensure options; however, the parties were unable to resolve the matters informally. See Exhibit E.

<sup>12</sup> The Department's Chief Captive Analyst verified with Simone Ottley, the Nevis Registrar of International Insurance, that the Nevis Certificate issued was for Pure Captive Insurance and not for Association Captive insurance.

1 and to take advantage of lower insurance rates.<sup>13</sup> Regarding “transacting business,”  
2 Respondent argued that Respondent does not have an office, does not advertise, and  
3 does not solicit business in Arizona; Gregg described their activities as “taking orders” for  
4 insurance policies.

5 21. Regarding the Nevis Certificate, Respondent argued that their April 2016  
6 application in Nevis for registration and licensing was for Association Captive authority.<sup>14</sup>

7 22. Respondent presented no evidence showing that the Arizona consumers (*i.e.*,  
8 MedSpa owners and professionals) with whom Respondent made contracts of insurance  
9 have any ownership interest in or affiliation with Respondent or with Respondent’s three  
10 owners. Respondents did not provide any certificate of authority authorizing Respondent  
11 to issue insurance policies to individuals who are not affiliated with Respondent or with  
12 Respondent’s three owners.

13 **CONCLUSIONS OF LAW**

14 1. The Department was created and enabled to administer certain laws of the State  
15 of Arizona by protecting the public interest through licensure and regulation of the  
16 insurance producer profession in this state. See A.R.S. § 20-142 and A.R.S. §§ 20-281  
17 *et seq.*

18 2. The Office of Administrative Hearings has subject matter and personal jurisdiction  
19 over the named parties in this Notice of Hearing. See A.R.S. § 20-161 and A.R.S. §§ 41-  
20 1092 *et seq.*

21 3. Based on the hearing record, Respondent’s conduct, as described in the Findings  
22 of Fact, constitutes engaging in the business of making contracts of insurance  
23 indemnification in this State, within the meaning of A.R.S. §§ 20-103, 20-104, and 20-  
24 106.

25 4. Based on the hearing record, Respondent’s conduct, as described in the Findings  
26 of Fact, constitutes the following violations:

- 27 (a) the transaction of insurance in this state without complying with the  
28 applicable provisions of A.R.S. Title 20, in violation of A.R.S. § 20-107.26;
- 29 (b) transacting insurance in this state without the authorization to do so  
30 granted by the Director, in violation of A.R.S. § 20-206; and,
- (c) 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).

<sup>13</sup> In this regard, Respondent argued that the final page of its policies require the consumer to acknowledge such. See Exhibit A.

<sup>14</sup> See Exhibit C, which demonstrates that Respondent did apply for that category; however, Nevis did not issue a Certificate for that category. Respondent provided a 2013 business plan for different company; however, that documents provides no evidence with regard to a 2016 application. See Exhibit B.

1 5. Based on the hearing record, the Administrative Law Judge concludes that the  
2 Department's CD Order was appropriately issued and should be affirmed, while  
Respondent's appeal should be denied.

3 **RECOMMENDED ORDER**

4 IT IS ORDERED the Department's Cease and Desist Order dated July 14, 2023,  
5 is affirmed and Respondent's appeal is denied.

6 *Pursuant to A.R.S. § 41-1092.08(I), the licensee may accept the*  
7 *Administrative Law Judge Decision by advising the Office of Administrative*  
8 *Hearings in writing not more than ten (10) days after receiving the decision. If the*  
9 *licensee accepts the Administrative Law Judge Decision, the decision shall be*  
10 *certified as the final decision by the Office of Administrative Hearings.*

11 *In the event of certification of the Administrative Law Judge Decision by the*  
12 *Director of the Office of Administrative Hearings, the effective date of the Order will*  
13 *be forty (40) days from the date of that certification.*

14 Done this day, February 5, 2024.

15 /s/ Kay A. Abramsohn  
16 Administrative Law Judge

17 Transmitted electronically to:

18 Barbara D. Richardson, Director  
19 Department of Insurance and Financial Institutions - Insurance

20 Assistant Attorneys General  
21 [AdminLaw@azag.gov](mailto:AdminLaw@azag.gov)  
22 [James.Rolstead@azag.gov](mailto:James.Rolstead@azag.gov)  
23 [Lynette.Evans@azag.gov](mailto:Lynette.Evans@azag.gov)

24 PISolutions, LLC  
25 Attn: Douglas B. Gregg  
26 [ben@pisolutionspro.com](mailto:ben@pisolutionspro.com)  
[ben.gregg@hotmail.com](mailto:ben.gregg@hotmail.com)

27 By: OAH Staff  
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