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STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE

In the Matter of:)
LOCKTON AFFINITY, LLC)
Licensee)
_____)

Case No. D 22-18

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and Lockton Affinity, LLC, (Lockton), the licensee in this case, stipulate and agree to the following:

I. BACKGROUND

A. Lockton holds surplus lines broker license number 10851.

B. Under AS 21.06.120, the division performed a limited and targeted premium tax audit of Lockton's surplus lines business for the period January 1, 2020 through December 31, 2021. The audit was completed and a report and order approving the report were issued on November 2, 2022, under TA 22-02. Both were sent to Lockton on November 3, 2022.

C. Under the four failed findings in the audit report, 107 violations of AS 21.34 were identified as being within the control of Lockton to correct in order to comply with Alaska insurance laws.

D. These 107 violations of AS 21.34 subjects Lockton to civil penalties under AS 21.34.230.

1 II. TERMS OF AGREEMENT

2 1. The division agrees that the next audit performed on Lockton related hereto will
3 exclude any quarter ending before July 1, 2023.

4 2. For the TA 22-02 audit violations, Lockton agrees to pay a civil penalty under AS
5 21.34.230 in the amount of \$40,000 with \$20,000 suspended. The unsuspended penalty of
6 \$20,000 is payable within three months of the date Lockton is notified the director has signed
7 the order approving this agreement.

8 3. In the event Lockton is found to have violated the Alaska insurance laws during the
9 next audit resulting in failed findings, the suspended portion of the penalty referenced in
10 paragraph 2 will be reinstated. Lockton also will be subject to any and all sanctions authorized
11 by the insurance laws including imposing additional penalties.

12 5. By signing this agreement, Lockton understands and agrees that any failure to
13 comply with the terms of this agreement may be grounds to revoke, suspend, or non-renew
14 Alaska surplus lines broker license number 10851.

15 6. Lockton understands that this agreement is not binding on the parties unless and
16 until the director signs the order approving the agreement.

17
18 DATED: 12/2/22

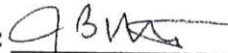
DIVISION OF INSURANCE

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20 By: Rebecca Nesheim
21 Rebecca Nesheim
22 Tax Auditor
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DATED: 12/2/22

LOCKTON AFFINITY, LLC

By: 
Jeffrey Hewitt
Compliance Officer

DATED: 12/02/2022

TREG R. TAYLOR
ATTORNEY GENERAL

By: Daniel Wilkerson
Daniel Wilkerson
Assistant Attorney General

ORDER

IT IS ORDERED that this Stipulated Agreement and Order is adopted in full resolution of the issues in this case, and shall constitute the final order in this matter.

DATED this 2nd day of December, 2022.


Lori Wing-Heier
Director