

STATE OF ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
3601 C STREET, SUITE 1324
ANCHORAGE, ALASKA 99503-5948
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STATE OF ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE

In the Matter of:)
)
SCOTT WETZEL SERVICES, INC.)
3000 C Street, Ste. 110)
Anchorage, AK 99503)
)
Licensee.)
_____)

Case No. D98-05

STIPULATED AGREEMENT AND ORDER

The Division of Insurance, Department of Commerce and Economic Development (division) and Scott Wetzel Services, Inc. (SWS), the licensee in this case, stipulate and agree, in lieu of a hearing, that the untimely renewal of license #9012, and the insurance claims activity that occurred during the time the license was in lapse status are resolved as follows:

Background

1. The division sent SWS its license renewal on November 26, 1997, which indicated that the renewal was due on or before the license expiration date of February 18, 1998 pursuant to AS 21.27.380(a). Under AS 21.27.380(a), the division may renew a license if a licensee meets all the renewal requirements

1 and pays the renewal fee on or before the close of business on the renewal date.
2
3 The division did not receive SWS's renewal application and renewal fees before the
4 close of business February 18, 1998. As a result, the division sent SWS a notice on
5 February 20, 1998 stating that license # 9012 had lapsed.

6 2. On February 27, 1998, the division received SWS's renewal
7 application and fees. The division subsequently notified SWS that its license had
8 lapsed and that, to reinstate its license, SWS would have to pay a late renewal fee
9 and provide a notarized statement regarding any transaction of insurance that
10 occurred during the period SWS's license was in lapse status. On March 20, 1998,
11 the division received a letter from SWS's attorney challenging the division's
12 determination that its license had lapsed and indicating SWS's intent to request a
13 hearing on that issue. The division did not respond to that letter until April 3,
14 1998. From April 3, 1998 until April 6, 1998, the parties corresponded regarding
15 reinstatement of SWS's license.
16

17 3. SWS's license was reinstated effective April 6, 1998 after the
18 division received payment of a delayed renewal penalty fee and a notarized
19 statement from SWS regarding transactions of insurance that occurred during the
20 lapse period. SWS completed the process to reinstate its license under protest,
21 subject to a later challenge at hearing regarding the division's conclusion that the
22 license had lapsed. SWS contends that its license was timely renewed because its
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1 completed renewal form and \$100 fee were mailed from its Florida offices on
2 February 12, 1998, which was before the lapse date.

3
4 4. The division acknowledges that SWS did not intend to let its
5 license lapse by failing to timely renew its license. SWS acknowledges that AS
6 21.27.380 and the division's enforcement of the statute require receipt of the
7 renewal form and fees before the license expiration date.

8 Terms and Conditions

9
10 1. For purposes of settlement, the parties agree that the period of
11 lapse for SWS's license was February 20, 1998 through March 20, 1998. SWS
12 admits that, during the lapse period, the firm transacted the business of insurance
13 and received compensation in the amount of approximately \$4,800 as
14 demonstrated by documentation it provided to the division.

15
16 2. Under AS 21.27.420(c), the division has reinstated SWS's
17 insurance license subject to the condition that SWS pays a civil penalty of \$4,800,
18 as allowed under AS 21.27.440(a), with \$1,300 suspended. In accordance with AS
19 21.27.440(b), the unsuspended portion of the penalty may be paid in full 15 days
20 after the director signs this order or, at the latest, within one year after the
21 director signs the order.

22
23 3. SWS agrees to renew its license timely by ensuring the receipt
24 by the division of its application and all renewal requirements on or before the
25 next expiration date, (absent a change in law that changes the receipt
26

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1 requirement). If SWS fails to do so, the suspended portion of the civil penalty
2 referenced in paragraph 2 will be reinstated. In that event, SWS also will be
3 subject to any and all sanctions authorized by the insurance code including
4 imposition of additional fines or penalties.
5

6 4. By signing this agreement, SWS understands and agrees that
7 any failure to comply with the terms and conditions of this agreement will be a
8 ground to revoke, suspend, or non-renew Alaska insurance license #9012.
9

10 5. SWS acknowledges that it has been advised by counsel
11 regarding the nature and purpose of this agreement and that it understands the
12 terms and conditions of this agreement.
13


14 DATED: 8/10/98

BRUCE M. BOTELHO
ATTORNEY GENERAL

15 By: 
16 Signe P. Andersen
17 Assistant Attorney General
18 Representing the Division
19 of Insurance

20 DATED: 8-6-98

SCOTT WETZEL SERVICES, INC.

21 By: 
22 Mike Gordon
23 Principal and Branch Manager
24

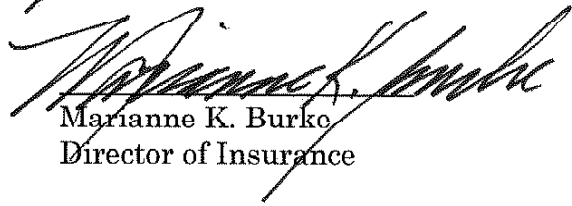
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ORDER

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 10th day of August, 1998.


Marianne K. Burke
Director of Insurance