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

In the Matter of:)
)
MARSH USA, INC. and Compliance Officer,)
JEFFREY R. WATT,)
)
Licensees.)
_____)

Case No. D 02-06

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and Marsh USA, Inc. (Marsh) and Jeffrey R. Watt (Mr. Watt) stipulate and agree that the failure to timely reinstate license #11040 for Valerie J. Quarto and the unlicensed activity that occurred during the time the license was inactive are resolved as follows:

1. Marsh and Mr. Watt agree that Marsh employed Valerie J. Quarto in December 2000 and that Ms. Quarto is still employed by Marsh. They further agree that it is the firm's and the compliance officer's responsibility to make sure no unlicensed activity occurs within the firm.

2. Although Ms. Quarto did not apply for the reinstatement of her Alaska insurance license until February 2002 and her license was not reinstated until March 7, 2002, Marsh and Mr. Watt acknowledge that on April 1, 2001, Ms. Quarto transacted the business of insurance, in violation of AS 21.27.380(b), by placing three policies for a renewal account, for which she received no commissions but for which Marsh received \$76,725 in commissions.

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3. Prior to this instance, Marsh and Mr. Watt have not allowed unlicensed transactions to occur at the firm and, to the division's knowledge, the firm has not engaged in unlicensed activity.

4. Marsh and Mr. Watt agree to pay a civil penalty under AS 21.27.440(a) of \$9,000 for the unlicensed activity that occurred on April 1, 2001, with \$6,000 suspended. The unsuspended portion of the penalty is due at the time this agreement and order is signed by the director.

5. In the event Marsh or Mr. Watt violates the insurance code or applicable regulations during the next two years (in particular by allowing unlicensed activity to occur within the firm), the suspended portion of the fine referenced in paragraph 4 will be reinstated. Marsh and Mr. Watt also will be subject to any and all sanctions authorized by the insurance code including imposition of additional fines or penalties.

6. By signing this agreement, Marsh and Mr. Watt understand and agree that any failure to comply with the conditions of this agreement will be grounds to revoke, suspend, or not renew their Alaska insurance licenses.

7. Marsh and Mr. Watt understand that this agreement is not binding on the parties unless and until the director signs the order approving the agreement.

DATED: 7/29/02

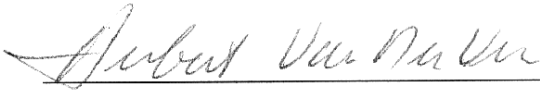
DIVISION OF INSURANCE

By: Linda Brunette
Linda Brunette
Licensing Supervisor

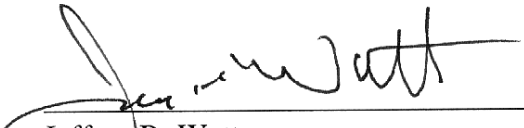
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MARSH USA, INC.

DATED: 7/19/02

By: 
Herbert Van Der Veer
Managing Director
Title

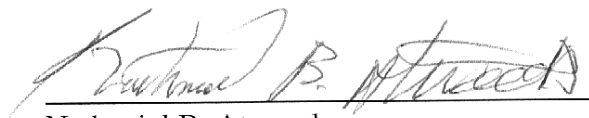
DATED: 7/22/02

By: 
Jeffrey R. Watt
Compliance Officer

Approved as to form and content:

DATED: 7/25/02

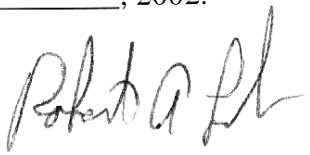
BRUCE M. BOTELHO
ATTORNEY GENERAL

By: 
Nathaniel B. Atwood
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 6th day of August, 2002.


Robert A. Lohr
Director of Insurance