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STATE OF ALASKA

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

In the Matter of:)
)
CONSTITUTION STATE SERVICES LLC,)
)
Licensee.)
_____)

Case No. D 04-18

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and Constitution State Services LLC (CSS),
the licensee in this case, stipulate and agree to the following:

I. BACKGROUND

A. In September 2003, CSS submitted an application to obtain an independent adjuster license in this state. Through a series of communications, the division explained to CSS what was necessary for the firm to be properly licensed. In December 2003, Joanne L. Pride and Jennifer A. Lorentz submitted applications to represent CSS as independent adjusters, not affiliated with any firm.

B. In December 2003, the Division of Workers' Compensation notified the division that CSS was transacting insurance adjusting business in Alaska without an independent adjuster license. Before the CSS licenses could be issued, the division required notarized statements regarding whether any Alaska business had been transacted. The

1
2 statements indicated that Ms. Pride and Ms. Lorentz had transacted business on behalf of CSS.
3 But both Ms. Pride and Ms. Lorentz were recruited and employed by Travelers Insurance
4 Company as adjusters and were not aware that Traveler's third party administrator, CSS, was a
5 separate entity requiring its own license.

6
7 C. CSS, however, should have been aware of its responsibility to be
8 appropriately licensed as an independent adjuster in this state. It was not until February 18,
9 2004 that Alaska firm and branch licenses were issued to CSS under license numbers 37388
10 and 37390, although the notarized statements indicated that business was conducted between
11 July 1, 2002 and January 16, 2004.

12 D. The director has fully reviewed the CSS files.

13
14 II. TERMS OF AGREEMENT

15 1. CSS agrees to pay a civil penalty under AS 21.27.440(a) in the amount of
16 \$23,966, which equals the amount of compensation the firm earned between July 1, 2002 and
17 January 16, 2004, with \$10,000 suspended. The unsuspended penalty is payable within six
18 months of the date that CSS is notified that the director has signed the order approving this
19 agreement.
20

21 2. In the event CSS violates the insurance code or applicable regulations
22 during the next two years, the suspended portion of the penalty referenced in paragraph 1 will
23 be reinstated. CSS also will be subject to any and all sanctions authorized by the insurance
24 code including imposition of additional fines or penalties.
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3. By signing this agreement, CSS understands and agrees that any failure to comply with the terms of this agreement may be grounds to revoke, further suspend, or non-renew Alaska insurance license numbers 37388 and 37390.

4. CSS understands that this agreement is not binding on the parties unless and until the director signs the order approving the agreement.

DATED: 3/16/05

DIVISION OF INSURANCE

By: 
Linda Brunette
Program Coordinator

DATED: 3/8/2005

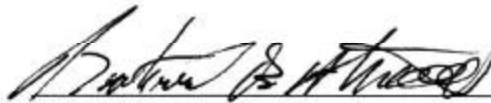
CONSTITUTION STATE SERVICES LLC

By: 
Andrew J. Apicella
President

Approved as to form and content:

DATED: 3/22/05

SCOTT J. NORDSTRAND
ACTING ATTORNEY GENERAL

By: 
Nathaniel B. Atwood
Assistant Attorney General

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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 23rd day of March, 2005.



Linda S. Hall
Director