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STATE OF ALASKA

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

In the Matter of:)
)
SOCIUS INSURANCE SERVICES, INC.,)
)
Licensee.)
_____)

Case No. D 12-07

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and Socius Insurance Services, Inc.
(Socius), the licensee in this case, stipulate and agree to the following:

I. BACKGROUND

- A. Socius holds surplus lines broker and firm insurance producer license #36162.
- B. Under AS 21.06.130, on October 24 and 25, 2011, the division performed a limited and targeted premium tax audit of Socius covering the period of January 1, 2009 through December 31, 2010. The audit was completed and a report and order approving the report were issued March 27, 2012 under number TA 11-03. Both were sent to Socius on March 27, 2012.
- C. The audit report identified 75 violations of AS 21.34 that are within the control of Socius to correct in order to comply with Alaska insurance laws.
- D. The violations of AS 21.34 subject Socius to civil penalties under AS 21.34.230.

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
550 WEST SEVENTH AVENUE, SUITE 1560
ANCHORAGE, ALASKA 99501-3567
PHONE: (907) 269-7900
FAX: (907) 269-7910
TDD: (907) 465-5437

1 II. TERMS OF AGREEMENT

2 1. The division agrees that any future audit performed on Socius related
3 hereto will cover calendar years starting with 2013 or later but not any year before 2013.

4 2. Socius agrees to pay a civil penalty under AS 21.34.230 in the amount of
5 \$40,000, with \$20,000 suspended. The unsuspended penalty is payable within three months
6 from the time that Socius is notified that the director has signed the order approving this
7 agreement.

8 3. In the event Socius violates the Alaska insurance laws during the next
9 two calendar years, the suspended portion of the penalty referenced in paragraph 2 will be
10 reinstated. Socius also will be subject to any and all sanctions authorized by the insurance laws
11 including imposition of additional penalties.

12 4. By signing this agreement, Socius understands and agrees that any failure
13 to comply with the terms of this agreement may be grounds to revoke, suspend, or non-renew
14 Alaska surplus lines broker and firm insurance producer license #36162.

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

17 DATED: 6/25/12

18 DIVISION OF INSURANCE

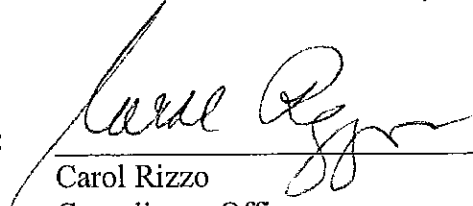
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22 By: Rebecca Nesheim
23 Rebecca Nesheim
24 Tax Auditor
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DATED: 6/12/12

SOCIUS INSURANCE SERVICES, INC.

By:



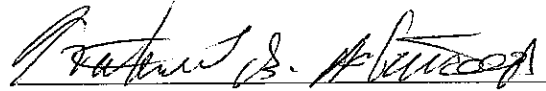
Carol Rizzo
Compliance Officer

Approved as to form and content:

DATED: 7/10/12

MICHAEL C. GERAGHTY
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 12th day of July, 2012.



Bret S. Kolb
Director