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

In the Matter of:)
)
FLEXIBLE BENEFITS CORPORATION)
)
Licensee)
)
)

Case No. D 14-18

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and Flexible Benefits Corporation (FBC), the licensee in this case, stipulate and agree to the following:

I. BACKGROUND

A. FBC holds insurance producer license number 21539.

B. On or about November 25, 2011, FBC's compliance officer, Peter Hamilton passed away.

C. From November 25, 2011 to May 20, 2014, FBC did not have a designated compliance officer.

D. AS 21.27.020(c)(3) requires, as a general qualification for a license, that a firm insurance producer designate one or more compliance officers for the firm.

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E. As part of the filing requirements to renew FBC's firm license, FBC's new compliance officer provided notarized statements to the division indicating that multiple transactions occurred during the period from November 25, 2011 through May 20, 2014 when the firm was without a licensed compliance officer, with \$207,512.82 earned in commission and service/broker fees. These transactions subject FBC to civil penalties under AS 21.27.440.

II. TERMS OF AGREEMENT

1. FBC agrees to pay a civil penalty under AS 21.27.440 in the amount of \$207,512.82 for the unlicensed activity that occurred from November 25, 2011 through May 20, 2014, with \$200,000 suspended. The unsuspended penalty of \$7,512.82 is payable at the time FBC is notified that the director has signed the order adopting this agreement.

2. In the event that FBC violates Alaska insurance laws during the next two years, the suspended portion of the penalty referenced in paragraph one will be reinstated. FBC also will be subject to any and all sanctions authorized by the insurance laws including imposition of additional penalties.

3. By signing this agreement, FBC understands and agrees that any failure to comply with the conditions of this agreement will be grounds to revoke, suspend, or not renew Alaska insurance producer license number 21539.

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

DATED: 8-4-14

DIVISION OF INSURANCE

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By: Linda Brunette
Linda Brunette
Program Coordinator

DATED: July 31, 2014

FLEXIBLE BENEFITS CORPORATION

By: Tina L. Vasen
Tina L. Vasen
Compliance Officer
Flexible Benefits Corporation

Approved as to form and content:

DATED: 8/06/14

MICHAEL C. GERAGHTY
ATTORNEY GENERAL

By: Erin K. Egan
Erin K. Egan
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 8th day of August, 2014.

Lori Wing-Heier
Lori Wing-Heier
Director