

STATE OF ALASKA

DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

In re:)
)
 APPLICATION FOR LICENSE RENEWAL of)
 NEAR NORTH INSURANCE)
 BROKERAGE, INC.)
 875 North Michigan Avenue, #1900)
 Chicago, IL 60611.)
 _____)

Case No. LD 03-05

STATEMENT OF ISSUES

Linda S. Hall, Director, Division of Insurance (division), Department of Community and Economic Development, State of Alaska, states:

1. On or about March 24, 2003, the division received from Near North Insurance Brokerage, Inc. (Near North) an application for the renewal of its firm insurance producer and surplus lines broker license number 12771. Michael Segal (Mr. Segal) is listed as the compliance officer on the renewal application, and he signed the application in that capacity on March 10, 2003.

2. Directly above the signature line on the application that Mr. Segal signed is the following statement.

As the licensed compliance officer of the firm, I declare that we are in full compliance with the Alaska Insurance statutes and regulations applicable to our license. I further certify that if, within the last license period, the firm or any Alaska licensed individual affiliated with the firm received a suspension, revocation, or any disciplinary action by any other jurisdiction or charged or convicted of a misdemeanor or felony, a complete explanation is ATTACHED. I HEREBY AUTHORIZE AND CONSENT TO ANY INVESTIGATION

STATE OF ALASKA
 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
 DIVISION OF INSURANCE
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1 UNDER AS 21.27.040 THAT THE ALASKA DIVISION OF INSURANCE
2 DEEMS APPROPRIATE.

3 No explanation regarding any disciplinary action or any charges was attached to this renewal
4 application.

5 3. In reviewing records of disciplinary action in other jurisdictions, the
6 following actions were revealed:

7 a. Effective July 17, 2002, California issued an Order of Immediate
8 Suspension of Mr. Segal's non-resident insurance licenses. The reason listed for California's
9 action was "criminal proceedings."

10 b. Effective July 17, 2001, Iowa fined Mr. Segal \$200 for his failure to
11 meet continuing education requirements.

12 c. Effective November 13, 2002, Kentucky suspended Mr. Segal's non-
13 resident license, stating the reason for its action as "demonstrated lack of fitness or
14 trustworthiness, criminal proceedings."

15 4. The division also became aware that a federal indictment was issued
16 against Mr. Segal in Illinois on February 14, 2002 for a violation of Title 18, U.S.C., Sections
17 1033(a)(1) and 2. No information regarding or explanation of this criminal charge was given
18 by Mr. Segal with Near North's license renewal application.

19 5. On April 4, 2003, by certified mail, the division issued a Statement of
20 Issues to Mr. Segal in Case No. LD 03-04 denying his application for the renewal of his
21 individual in a firm insurance producer and surplus lines broker license number 12772. The
22 division denied his application because of Mr. Segal's failure to provide the division with
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1 information regarding the administrative actions and the criminal charges against him, the fact
2 that his licenses have been suspended in other jurisdictions, and the fact that he signed a
3 statement declaring that he was in compliance with Alaska insurance law when he was not.
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5 6. None of the information itemized above was provided with Near North's
6 application for renewal, as it should have been. Mr. Segal's failure to provide this information
7 on the Near North application demonstrates untrustworthiness and is a basis to deny renewal of
8 a license under AS 21.27.025(c) and 21.27.410(a)(2), (8), and (14).

9 7. Mr. Segal is still licensed in his home state of Illinois and, therefore, is
10 still acting on behalf of Near North. That fact and the division's denial of Mr. Segal's license
11 are bases to deny renewal of Near North's license under AS 21.27.140(b) and 21.27.410(b).

12 8. Pursuant to AS 21.27.025(c), 21.27.140(b), and 21.27.410(a)(2), (8), (14)
13 and (b), the application of Near North for renewal of its firm insurance producer and surplus
14 lines broker license number 12771 is hereby DENIED.
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16 DATED this 11th day of April, 2003.

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19 Linda S. Hall
20 Director
21 Division of Insurance
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