

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
NINTH FLOOR STATE OFFICE BUILDING
333 WILLOUGHBY AVENUE
JUNEAU, ALASKA 99801
PHONE: (907) 465-2515 • FAX: (907) 465-3422
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STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE

In the Matter of:)
GRIFFIN UNDERWRITING SERVICES)
Licensee)
_____)

Case No. D 17-10

STIPULATED AGREEMENT AND ORDER

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

I. BACKGROUND

A. Griffin holds surplus lines broker and firm insurance producer license number
8034.

B. Under AS 21.06.120, the division performed a limited and targeted premium tax
audit of Griffin's surplus lines business for the period January 1, 2015 through June 30, 2016.
The audit was completed and a report and order approving the report were issued on June 8,
2017 under TA 16-06a. Both were sent to Griffin on June 13, 2017.

C. Under three failed findings in the audit report, 15 violations of AS 21.34 were
identified that are within the control of Griffin to correct in order to comply with Alaska
insurance laws. However, only two findings with 11 violations in the 2016 audit were
previously identified in the 2013 audit.

D 17-10
Griffin Underwriting Services

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2 D. The 11 violations of AS 21.34 subject Griffin to civil penalties under
3 AS 21.34.230.

4 E. Due to these violations having occurred within the two calendar years cited in the
5 signed Stipulated Agreement and Order D 14-02 entered into between the division and Griffin,
6 the previously suspended portion of \$5,000 in that Stipulated Agreement and Order is now
7 subject to reinstatement.

8 II. TERMS OF AGREEMENT

9 1. The division agrees that the next audit performed on Griffin related hereto will
10 exclude any quarter ending before October 1, 2017.

11 2. For the reinstated penalties under Stipulated Agreement and Order D 14-02,
12 Griffin agrees to pay \$5,000 within three months from the time Griffin is notified that the
13 director has signed the order approving this agreement.

14 3. For the TA 16-06a audit violations, Griffin agrees to pay a civil penalty under
15 AS 21.34.230 in the amount of \$20,000 with \$10,000 suspended. The unsuspended penalty of
16 \$10,000 is payable within three months from the time Griffin is notified that the director has
17 signed the order approving this agreement.

18 4. In the event Griffin is found to have violated the Alaska insurance laws during the
19 period that will be part of the next audit, the suspended portion of the penalty referenced in
20 paragraph 3 will be reinstated. Griffin also will be subject to any and all sanctions authorized by
21 the insurance laws including imposing additional penalties.

22 5. By signing this agreement, Griffin understands and agrees that any failure to
23 comply with the terms of this agreement may be grounds to revoke, suspend, or non-renew
24 Alaska surplus lines broker and firm insurance producer license number 8034.
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6. Griffin understands that this agreement is not binding on the parties unless and until the director signs the order approving the agreement.

DATED: 10/4/17

DIVISION OF INSURANCE

By: Rebecca Nesheim
Rebecca Nesheim
Tax Auditor

DATED: 8/29/17

GRIFFIN UNDERWRITING SERVICES

By: William Torney
William Torney
Chief Operating Officer

Approved as to form and content:

DATED: 10/6/17

JAHNA LINDEMUTH
ATTORNEY GENERAL

By: Daniel Wilkerson
Daniel Wilkerson
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 26th day of October, 2017.

Lori Wing-Heier
Lori Wing-Heier
Director