

STATE OF ALASKA  
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT  
DIVISION OF INSURANCE  
3601 C STREET, SUITE 1324  
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STATE OF ALASKA  
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT  
DIVISION OF INSURANCE

In the Matter of: )  
 )  
ERICA SYKES, )  
 )  
 Licensee. )  
\_\_\_\_\_ )

Case No. D99-04

STIPULATED AGREEMENT AND ORDER

The Division of Insurance, Department of Commerce and Economic Development (division), and Erica Sykes (Sykes), licensee in this case, stipulate and agree to the following resolution of the statutory violations regarding Sykes's proper licensure identified in the division's Report of Managing General Agent Market Conduct Examination of North Star Underwriting Managers, Inc., as approved by order of the director on December 2, 1997.

I. BACKGROUND

In December 1995, the division provided information to Sykes to assist her in obtaining an insurance license in this state. Although Sykes applied for a producer license, she was employed by North Star Underwriting Managers, Inc. (North Star). North Star was only licensed as a managing general agent; therefore, Sykes needed to be licensed as a managing general agent. Upon Sykes's submission of a notarized statement acknowledging that she knew that this type of license was not sufficient for her to be involved in transactions representing North Star, the division issued her an insurance producer license on December 21, 1995. The

1 division understood that Sykes would then obtain a trainee managing general agent license so  
2 that she could ultimately obtain a full managing general agent license. Sykes did not apply to  
3 the division for a managing general agent license until February 1997, which the division issued  
4 in April 1997.

5  
6 The division conducted an examination under AS 21.06.120 of the affairs,  
7 transactions, accounts, and records of North Star. The examination period covered January 1,  
8 1995 through July 31, 1997. One of the tests of the examination determined if all persons  
9 involved in a transaction were properly licensed. The division determined that, of the files  
10 examined, there were 14 instances where Sykes performed functions of a managing general  
11 agent as defined in AS 21.90.900(27) before she was properly licensed to do so.

12  
13 II. TERMS OF AGREEMENT

14 1. Sykes admits that she violated AS 21.27.010 by being involved in  
15 transactions where a managing general agent's license was required before she had such a  
16 license. While she does not agree, she acknowledges that the division believes there is  
17 evidence to support a wilful violation of this statute.

18 2. Sykes agrees to pay a civil penalty of \$4,000, as allowed under AS  
19 21.27.440, with \$2,000 suspended, which is payable no later than one year from the date this  
20 agreement and order is signed by the director.

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

4  
5 DATED: 10-14-99

DIVISION OF INSURANCE

6 By: Linda Brunette  
7 Linda Brunette  
8 Licensing Supervisor

9 DATED: 9-17-99

Erica Sykes  
10 Erica Sykes

11  
12 Approved as to form and content:

13 DATED: 9/29/99

BRUCE M. BOTELHO  
ATTORNEY GENERAL

14  
15 By: Signe P. Andersen  
16 Signe P. Andersen  
17 Assistant Attorney General

18  
19 ORDER

20 IT IS ORDERED that this Stipulated Agreement and Order is adopted in full  
21 resolution of the issues in this case, and shall constitute the final order in this matter.

22 DATED this 19th day of October, 1999.

23  
24 Robert A. Flinn  
25 Director of Insurance  
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