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STATE OF ALASKA

DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

In the Matter of:)
)
KATHRINE A. SELLERS, dba JOE HEDL &)
ASSOCIATES/THE SELLERS AGENCY)
)
Licensee.)
_____)

Case No. D 02-03

**ORDER TERMINATING
CEASE AND DESIST ORDER**

On February 22, 2002, the Division of Insurance issued Cease and Desist Order D 02-03 to Kathrine A. Sellers. Ms. Sellers had failed to become licensed as a managing general agent, which put her in violation of AS 21.27.010 and AS 21.36.360(j). Also on February 22, the division terminated Ms. Sellers' company appointments with Transamerica Assurance Company, Transamerica Life Insurance & Annuity Company, and Transamerica Occidental Life Insurance Company.

Subsequently, Ms. Sellers fulfilled all the qualifications for licensure as an individual managing general agent, and on March 4, 2002 the division issued license number 9880 to Ms. Sellers authorizing her as an individual managing general agent.

On March 6, 2002, Transamerica Occidental Life Insurance Company submitted to the division an appointment form on which it appointed Ms. Sellers a managing general agent for Transamerica Life Insurance & Annuity Company and Transamerica Assurance Company, effective March 5, 2002, and for itself, effective March 6, 2002.

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ANCHORAGE, ALASKA 99503-7900
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TDD (907) 465-5437

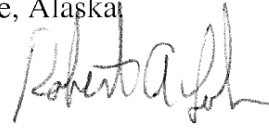
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1 As Ms. Sellers is no longer in violation of the sections of the Alaska insurance code
2 referenced in Cease and Desist Order D 02-03, it is appropriate to lift that order.

3 THEREFORE, IT IS ORDERED that Cease and Desist Order D 02-03 is terminated
4 and in is no longer in effect.
5

6 This order is effective March 4, 2002.

7 Dated this 12th day of March, 2002 at Anchorage, Alaska



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10 Robert A. Lohr
11 Director
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STATE OF ALASKA
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE

In the Matter of:)
)
KATHRINE A. SELLERS, dba JOE HEDL &)
ASSOCIATES/THE SELLERS AGENCY)
)
Licensee.)
_____)

Case No. D 02-03

CEASE AND DESIST ORDER

TO: Kathrine A. Sellers
4141 B Street, Ste. 304
Anchorage, AK 99503-9517

A limited market conduct examination was conducted in the office of licensee, Kathrine A. Sellers (Ms. Sellers), dba Joe Hedl & Associates (Hedl). The report of the examination was approved. See Order #MCE 99-03 dated June 19, 2000.

Recommendation #1 of MCE 99-03 states: "The examiners recommend that Hedl register with the Alaska Division of Insurance as a third-party administrator or become licensed in Alaska as a managing general agent." Although Ms. Sellers holds individual insurance producer license number 9880, she is not licensed as a managing general agent or registered as a third-party administrator. No one else in the agency holds a current insurance license.

A series of letters was exchanged between Ms. Sellers (and in some instances, her husband, Gary Sellers) and various staff members of the division. In letters dated November

1 13, 2000, November 19, 2000, December 28, 2000, January 10, 2001, and February 26, 2001,
2 Ms. Sellers agreed to become licensed as a managing general agent. However, she asked the
3 division for an extension of until February 28, 2001 to obtain her MGA license.

4
5 Subsequently, a request for hearing from Ms. Sellers was granted by the director. The
6 outcome of the hearing was a Memorandum and Proposed Order Dismissing (sic) Appeal
7 signed by hearing officer Shelley Higgins on July 17, 2001 and an order dismissing the appeal
8 signed by the director on July 31, 2001. A copy of this document was sent to Ms. Sellers by
9 certified mail and the receipt for that mailing was returned to the division on August 17, 2001.

10 The last paragraph of the memorandum and order states:

11
12 Based on the fact that Kathrine Sellers has agreed to become licensed individually as an
13 MGA and that this satisfies the licensing recommendation of the MCE report as written,
14 the hearing officer recommends that this appeal be dismissed without prejudice to the
15 right of the Hedl firm to appeal in the event that the Division re-opens the MCE and re-
16 exams the MGA licensing issue.

17 In a letter to Ms. Higgins dated August 20, 2001, Ms. Sellers and her husband, Mr.
18 Sellers, stated "The necessary paperwork to become licensed individually as an MGA will be
19 sent to the Division this week." The division's licensing records indicate that, although no
20 application was sent within the time frame outlined in the letter, Ms. Sellers did submit an
21 application to become licensed individually as an MGA that the division received on
22 February 1, 2002. On February 12, 2002, the division notified Ms. Sellers by fax that her
23 application was incomplete in that no passing MGA examination results were submitted. The
24 division set a deadline at the close of business on February 21, 2002 for Ms. Sellers to cure that
25 deficiency. The division received a fax from Ms. Sellers on February 21, 2002 stating that she
26 had not passed the MGA exam. As a result, Ms. Sellers still does not have an individual MGA

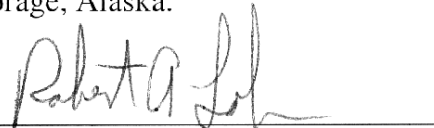
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1 license, and without such a license, Ms. Sellers is in violation of AS 21.27.010 and
2 AS 21.36.360(j).

3 Pursuant to AS 21.27.405, Ms. Sellers is hereby ordered to cease and desist from further
4 violating the Alaska insurance code. Specifically, Ms. Sellers is ordered to cease operations for
5 the Transamerica Life Companies. Further, Ms. Sellers' violation of Alaska law may subject
6 her to civil penalties under AS 21.27.440, including monetary penalties and nonrenewal,
7 suspension, or revocation of her producer license and to criminal penalties under AS
8 21.36.360(p)(6).
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10 This order takes effect February 22, 2002.

11 Dated this 22nd day of February, 2002 at Anchorage, Alaska.

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14 Robert A. Lohr
15 Director
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