

DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
ROBERT B. ATWOOD BUILDING
550 WEST SEVENTH AVENUE, SUITE 1560
ANCHORAGE, ALASKA 99501-3567
PHONE: (907) 269-7900
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STATE OF ALASKA
DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE

In the Matter of:)
)
ARTHUR C. MATHIAS, Compliance Officer,)
ARTHUR C. MATHIAS INSURANCE)
AGENCY, INC.)
)
Licensees.)
_____)

Case No. D 04-17

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and Arthur C. Mathias (Mr. Mathias), the licensee in this case, stipulate and agree to the following:

I. BACKGROUND

A. In June 2003, Mr. Mathias notified the division that one of his long time employees, Denise Milow Porter, had been transacting business at his firm without an active insurance producer license.

B. The unlicensed activity occurred because Ms. Milow Porter failed to renew her license in 1999 and 2001. Although a license renewal for her was submitted to the division in late September 1999, the division did not receive it, nor was the accompanying check ever cashed. On October 6, 1999, the division notified her that her license had lapsed and she was not qualified to transact insurance until she renewed her license. As Ms. Milow Porter incorrectly assumed that her renewal application and the division's lapse notice had

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2 crossed in the mail and that her application was being processed, she did not pursue her license
3 renewal further. Since the division's records for her did not show a current license, no renewal
4 notice was sent to Ms. Milow Porter in 2001.

5 C. Although each licensee is responsible to ensure that he or she is properly
6 licensed before transacting insurance, the compliance officer is responsible for the firm's
7 compliance with the Alaska insurance code. Each producer in a firm must hold a valid
8 insurance license in order to transact insurance business.

9
10 D. As compliance officer for Arthur C. Mathias Insurance Agency, Inc., Mr.
11 Mathias was ultimately responsible for the unlicensed activity that occurred between October 6,
12 1999 and June 9, 2003.

13 E. Ms. Milow Porter was a salaried employee and received no commissions.
14 She is no longer employed at Mr. Mathias' firm. According to his best estimates, Mr. Mathias
15 and the firm received \$41,472.39 in commissions for policies written by Ms. Milow Porter
16 while she was unlicensed.

17 F. The director has fully reviewed the file of Ms. Milow Porter.

18 II. TERMS OF AGREEMENT

19
20 1. Mr. Mathias agrees to pay a civil penalty under AS 21.27.440(a) in the
21 amount of \$41,472.39, which equals the amount of commission the firm earned between
22 October 6, 1999 and June 9, 2003 on Ms. Milow Porter's unlicensed activity, with \$36,472.39
23 suspended. The unsuspended civil penalty in the amount of \$5,000 is payable within six
24 months of the date that the director signs the order approving this agreement.
25
26

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2. In the event Mr. Mathias, his firm, or any individual employed by the firm violates the insurance code or applicable regulations during the next two years, the suspended portion of the penalty referenced in paragraph 1 will be reinstated. Mr. Mathias and the firm also will be subject to any and all sanctions authorized by the insurance code including imposition of additional fines or penalties.

3. By signing this agreement, Mr. Mathias understands and agrees that any failure to comply with the terms of this agreement may be grounds to revoke, suspend, or non-renew Alaska insurance license numbers 382 and 9477.

4. Mr. Mathias understands that this agreement is not binding on the parties unless and until the director signs the order approving the agreement.

DATED: 9/10/04

DIVISION OF INSURANCE

By: 

Linda Brunette
Program Coordinator

DATED: Aug. 25, 2004

ARTHUR C. MATHIAS INSURANCE
AGENCY, INC.

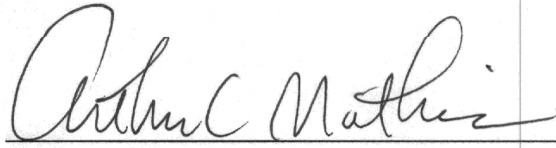
By: 

Arthur C. Mathias
Compliance Officer

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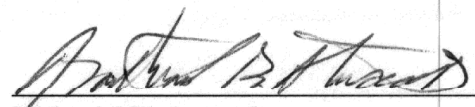
DATED: 8-25-2004


Arthur C. Mathias

Approved as to form and content:

DATED: 9/29/04

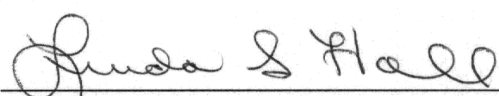
GREGG D. RENKES
ATTORNEY GENERAL

By: 
Nathaniel B. Atwood
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 29th day of September, 2004.


Linda S. Hall
Director