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STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE

In the Matter of:)
)
SWETT & CRAWFORD CORPORATION)
)
Licensee)
_____)

Case No. D 14-03

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and Swett & Crawford Corporation (S&C),
the licensee in this case, stipulate and agree to the following:

I. BACKGROUND

- A. S&C holds surplus lines broker and firm insurance producer license number 24992.
- B. Under AS 21.06.130, the division performed a limited and targeted premium tax audit of S&C's surplus lines business for the years January 1, 2011 through December 31, 2012. The audit was completed and a report and order approving the report were issued on October 23, 2013 under TA 13-03. Both were sent to S&C on October 25, 2013.
- C. Under three findings in the audit report, 38 violations of AS 21.34 were identified that are within the control of S&C to correct in order to comply with Alaska insurance laws.
- D. The violations of AS 21.34 subject S&C to civil penalties under AS 21.34.230.
- E. Due to these violations having occurred within two calendar years after the Stipulated Agreement and Order D 10-14 entered into between the division and S&C was

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
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ANCHORAGE, ALASKA 99501-3567
PHONE: (907) 269-7900
FAX: (907) 269-7910
TDD: (907) 465-5437

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2 signed, the previously suspended portion of \$40,000 in that Stipulated Agreement and Order is
3 now subject to reinstatement.

4 II. TERMS OF AGREEMENT

5 1. The division agrees that any further audit performed on S&C related hereto will
6 cover calendar years starting with 2014 or later but not any year before 2014.

7 2. For the TA 13-03 audit violations, S&C agrees to pay a civil penalty under
8 AS 21.34.230 in the amount of \$30,000 with \$15,000 suspended. The unsuspended penalty of
9 \$15,000 is payable within three months from the time S&C is notified that the director has
10 signed the order approving this agreement.

11 3. In the event S&C violates the Alaska insurance laws during the next two calendar
12 years (2014 and 2015), the suspended portion of the penalty referenced in paragraph 2 will be
13 reinstated. S&C also will be subject to any and all sanctions authorized by the insurance laws
14 including imposition of additional penalties.

15 4. For the reinstated penalties under the Stipulated Agreement and Order D 10-14,
16 S&C agrees to pay \$15,000 and the division agrees to not seek payment of the remaining
17 \$25,000.

18 5. By signing this agreement, S&C understands and agrees that any failure to comply
19 with the terms of this agreement may be grounds to revoke, suspend, or non-renew Alaska
20 surplus lines broker and firm insurance producer license number 24992.
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6. S&C understands that this agreement is not binding on the parties unless and until the director signs the order approving the agreement.

DATED: 2/18/14

DIVISION OF INSURANCE

By: Rebecca Nesheim
Rebecca Nesheim
Tax Auditor

DATED: February 11, 2014

SWETT & CRAWFORD CORPORATION

By: [Signature]
Michael Hamby
Executive Vice President

Approved as to form and content:

DATED: 2/19/14

MICHAEL C. GERAGHTY
ATTORNEY GENERAL

By: [Signature]
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 21 day of February, 2014.

[Signature]
Marty Hester
Acting Director

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