

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
IF YOU NEED HEARING ASSISTANCE, PLEASE CALL ALASKA RELAY AT 711

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

In the Matter of:)
AMWINS INSURANCE BROKERAGE)
OF CA LLC)
Licensee)

Case No. D 16-05

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and AmWINS Insurance Brokerage of CA LLC (AmWINS), the licensee in this case, stipulate and agree to the following:

I. BACKGROUND

A. AmWINS holds surplus lines broker and firm insurance producer license number 20343.

B. Under AS 21.06.130, the division performed a limited and targeted premium tax audit of AmWINS's surplus lines business for the period July 1, 2013 through June 30, 2015. The audit was completed and a report and order approving the report were issued on April 11, 2016 under TA 15-05. Both were sent to AmWINS on April 12, 2016.

C. Under one failed finding of diligent effort in the audit report, 36 violations of AS 21.34 were identified that are within the control of AmWINS to correct in order to comply with Alaska insurance laws.

D. The 36 diligent effort violations of AS 21.34 subject AmWINS to civil penalties under AS 21.34.230.

D 16-05
AmWINS Insurance Brokerage of CA LLC

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E. Due to these 36 violations having occurred within two calendar years after the Stipulated Agreement and Order D 12-14 entered into between the division and AmWINS was signed, the previously suspended penalty of \$10,000 in that Stipulated Agreement and Order is now subject to reinstatement.

II. TERMS OF AGREEMENT

1. The division agrees that the next audit performed on AmWINS related hereto will exclude any quarter ending before October 1, 2016.

2. For the TA 15-05 audit violations, AmWINS agrees to pay a civil penalty under AS 21.34.230 in the amount of \$10,000 with \$5,000 suspended. The unsuspended penalty of \$5,000 is payable within three months from the time AmWINS is notified that the director has signed the order approving this agreement.

3. In the event AmWINS is found to have violated the Alaska insurance laws during the next audit, the suspended portion of the penalty referenced in paragraph 2 will be reinstated. AmWINS also will be subject to any and all sanctions authorized by the insurance laws including imposing additional penalties.

4. AmWINS understands and agrees that if the same violations noted in paragraph D are noted in the next audit and a procedure test for these violations fails with an error rate of ten percent or higher, the division will consider such violations to be willful under AS 21.34.230.

5. For the reinstated penalties under Stipulated Agreement and Order D 12-14, AmWINS agrees to pay \$10,000 within three months from the time AmWINS is notified that the director has signed the order approving this agreement.

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6. By signing this agreement, AmWINS understands and agrees that any failure to comply with the terms of this agreement may be grounds to revoke, suspend, or non-renew Alaska surplus lines broker and firm insurance producer license number 20343.

7. AmWINS understands that this agreement is not binding on the parties unless and until the director signs the order approving the agreement.

DATED: 6/17/16

DIVISION OF INSURANCE

By: Rebecca Nesheim
Rebecca Nesheim
Tax Auditor

DATED: 6/10/16

AMWINS INSURANCE BROKERAGE
OF CA LLC

By: [Signature]
George S. Maggay
Compliance Officer

Approved as to form and content:

DATED: 6/22/16

CRAIG W. RICHARDS
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 18th day of July, 2016.

[Signature]
Lori Wing-Heier
Director