

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:)
DENALI ALASKAN INS LLC)
Licensee)
_____)

Case No. D 17-04

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and Denali Alaskan Ins LLC (Denali), the licensee in this case, stipulate and agree to the following:

I. BACKGROUND

A. Denali holds firm credit insurance limited producer and firm insurance producer license number 27950. Denali also held firm independent adjuster and firm surplus lines broker license number 27950 until March 21, 2017 when these classes of authority were cancelled.

B. Under AS 21.06.120, the division performed a limited and targeted premium tax audit of Denali's surplus lines business for the years January 1, 2013 through December 31, 2014. The audit was completed and a report and order approving the report were issued on January 5, 2016 under TA 15-03. Both were sent to Denali on January 8, 2016.

Stipulated Agreement and Order
Denali Alaskan Ins LLC
Case No. D 17-04

1 C. Under seven findings in the audit report, 39 violations of AS 21.34 were identified
2 that are within the control of Denali to correct in order to comply with Alaska insurance laws.

3 D. The violations of AS 21.34 subject Denali to civil penalties under AS 21.34.230.

4 E. Due to these violations having occurred within two calendar years after the
5 Stipulated Agreement and Order D 12-06 entered into between the division and Denali was
6 signed, the previously suspended portion of \$25,000 in that Stipulated Agreement and Order is
7 now subject to reinstatement.

8
9 II. TERMS OF AGREEMENT

10 1. For the TA 15-03 audit violations, Denali agrees to pay a civil penalty under
11 AS 21.34.230 in the amount of \$40,000 with \$35,000 suspended. The unsuspended penalty of
12 \$5,000 is payable within one year from the time Denali is notified that the director has signed
13 the order approving this agreement.

14 2. For the reinstated penalties under the Stipulated Agreement and Order D 12-06,
15 Denali agrees to pay \$25,000 within one year from the time Denali is notified that the director
16 has signed the order approving this agreement.

17 3. Denali agrees to and has already surrendered its surplus lines broker class of
18 authority for a period of five years with the five year period beginning on the date the director
19 signs the order approving this agreement.

20 4. During this five year period referenced in paragraph 3, no individual licensee with
21 Denali will be required to surrender the licensee's individual license, however, no such licensee
22 may write any surplus lines business on behalf of Denali during the five year period.
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5. After the five year period referenced in paragraph 3 ends, Denali may apply to the
division to reinstate the surplus lines class of authority on Denali's license number 27950
provided Denali first

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(a) provides evidence satisfactory to the division that each Denali staff licensee
with an active individual surplus lines broker class of authority license issued by the division
has completed surplus lines training performed by the division's tax auditor;

(b) obtains approval from the division's tax auditor of all Denali written
procedures relating to Denali's surplus lines business; and

(c) pays \$15,000 of the penalty suspended under paragraph 1 of this agreement.

6. By signing this agreement, Denali understands and agrees that any failure to
comply with the terms of this agreement may be grounds to

(a) revoke, suspend, or non-renew Alaska firm credit insurance limited producer
and firm insurance producer license number 27950; and

(b) deny Denali's application for reinstatement of the surplus lines class of
authority on Denali's license.

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

DATED: 6/6/17

DIVISION OF INSURANCE

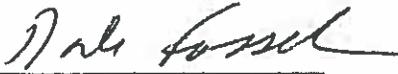
By: Rebecca Nesheim
Rebecca Nesheim
Tax Auditor

Stipulated Agreement and Order
Denali Alaskan Ins LLC
Case No. D 17-04

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DATED: 5-31-17

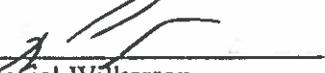
DENALI ALASKAN INS LLC

By: 
Dale Fosselman
Manager

Approved as to form and content:

DATED: 6/14/17

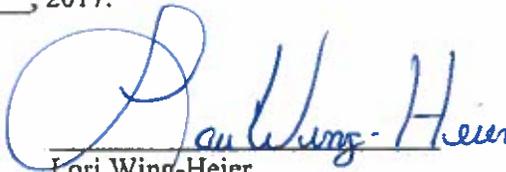
JAHNA LINDEMUTH
ATTORNEY GENERAL

By: 
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 19th day of June, 2017.


Lori Wing-Heier
Director