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

In the Matter of: )  
MARSH USA INC. )  
Licensee )

Case No. D 19-04

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and Marsh USA Inc., (Marsh), the licensee in this case, stipulate and agree to the following:

I. BACKGROUND

A. Marsh holds surplus lines broker license number 7782.

B. Under AS 21.06.120, the division performed a limited and targeted premium tax audit of Marsh's surplus lines business for the period January 1, 2016 through December 31, 2017. The audit was completed and a report and order approving the report were issued on April 12, 2019 under TA 18-05. Both were sent to Marsh on April 12, 2019.

C. Under six failed findings in the audit report, 77 violations of AS 21.34 were identified as being within the control of Marsh to correct in order to comply with Alaska insurance laws. All of the violations were previously identified in the 2014 audit.

D. These 77 violations of AS 21.34 subjects Marsh to civil penalties under AS 21.34.230.

1 E. Due to these violations having been found during the subsequent audit after the  
2 Stipulated Agreement and Order D 15-11 entered into between the division and Marsh was  
3 signed, the previously suspended civil penalty of \$25,000 in that Stipulated Agreement and  
4 Order is now subject to reinstatement.

5 II. TERMS OF AGREEMENT

6 1. The division agrees that the next audit performed on Marsh related hereto will  
7 exclude any quarter before January 1, 2020.

8 2. For the TA 18-05 audit violations, Marsh agrees to pay a civil penalty under AS  
9 21.34.230 in the amount of \$60,000 with \$30,000 suspended. The unsuspended penalty of  
10 \$30,000 is payable within three months of the date that Marsh is notified that the director has  
11 signed the order approving this agreement.

12 3. For the reinstated penalty under Stipulated Agreement and Order D 15-11, Marsh  
13 agrees to pay \$25,000 within three months of the date Marsh is notified that the director has  
14 signed the order approving this agreement.

15 4. In the event Marsh is found to have violated the Alaska insurance laws during the  
16 next audit resulting in failed findings, the suspended portion of the penalty referenced in  
17 paragraph 2 will be reinstated. Marsh also will be subject to any and all sanctions authorized by  
18 the insurance laws including imposing additional penalties.

19 5. By signing this agreement, Marsh understands and agrees that any failure to  
20 comply with the terms of this agreement may be grounds to revoke, suspend, or non-renew  
21 Alaska surplus lines broker license number 7782.

22 6. Marsh understands that this agreement is not binding on the parties unless and  
23 until the director signs the order approving the agreement.

STATE OF ALASKA  
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT  
DIVISION OF INSURANCE  
P.O. BOX 116805  
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IF YOU NEED HEARING ASSISTANCE, PLEASE CALL ALASKA RELAY AT 711

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DATED: 7/24/19

DIVISION OF INSURANCE

By: Rebecca Nesheim  
Rebecca Nesheim  
Tax Auditor

DATED: 8 July 2019

MARSH USA INC.

By: Sarah Ribbens  
Sarah Ribbens  
Compliance Officer

Approved as to form and content:

DATED: 8/6/19

KEVIN G. CLARKSON  
ATTORNEY GENERAL

By: Daniel Wilkerson  
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 8<sup>th</sup> day of August, 2019.

Lori Wing-Heier  
Lori Wing-Heier  
Director