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

In the Matter of:)
)
JAMES EDWARD LUBITZ)
)
Insurance Licensee)
)
)
)

Division of Insurance Case No. D19-12

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (DOI) and James Edward Lubitz (Lubitz), the insurance licensee in this case, stipulate and agree to the following:

I. BACKGROUND

A. On or about October 31, 2011 DOI issued insurance producer license number 98516 to Lubitz.

B. Lubitz' insurance producer license was renewed and is set to expire on January 31, 2020.

C. On or about February 14, 2019, the DOI received a consumer complaint from Carieanne Hall (Hall), who is the owner of the Midnight Sun Athletic Club in Wasilla, Alaska. Ms. Hall alleged that Lubitz issued her two fraudulent Certificate of Insurance for commercial

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2 liability insurance coverage of Midnight Sun Athletic Club. The DOI then opened an
3 investigation into the matter.

4 D. DOI's investigation revealed

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6 (i) That on January 28, 2015, Lubitz did email to Carianne Hall a
7 fraudulent/forged Certificate of Insurance. In reviewing the Certificate of Insurance, the following
8 items were noted:

- 9
10 1. The document, a Certificate of Liability Insurance, bore the date of 02/01/2015;
11 2. The producer was listed as being Sentry Insurance. The contact was listed as being
12 Jim Lubitz;
13 3. The insured was listed as being "Halls Auto Body DBA Midnight Sun Athletic
14 Club";
15 4. The coverages listed on the certificate indicated it was for commercial liability
16 coverage only;
17 5. The policy number was listed as being 2461860;
18 6. The effective period for the coverage was listed as being 01/01/2015-01/01/2016;
19 7. The Certificate Holders, landlords, were listed as being Jeff and Ruth Adolf;
20 8. The form appeared to have been signed by J. Lubitz.

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24 (ii) That on November 15, 2017, Lubitz sent, via email, a forged fraudulent

25 Certificate of Garage Insurance that contained the following information:

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1. The document, a Certificate of Garage Insurance, bore the date of 11/16/2017;
2. The producer was listed as being Sentry Insurance Company. The contact was listed as being Sentry Customer Service;
3. The insured was listed as being “The Midnight Sun Athletic Club”;
4. The coverages listed on the certificate indicated it was for garage liability, umbrella and worker’s compensation coverage;
5. The policy number for the liability and umbrella coverages was listed as being 24-61860-01. The policy number for the worker’s compensation coverage was listed as being 24-61860-03;
6. The effective period for the coverages was listed as being 01/01/2017-01/01/2018;
7. The Certificate Holder, landlord, were listed as being KD Commercial LLC;
8. The form appeared to have been signed by John Hyland;
9. It was noted that the lower left corner of the certificate bore the numbers 0011.

(iii) On February 19, 2019 and March 26, 2019 the DOI submitted for authentication both suspect Certificates of Insurance to Sentry Select Life Insurance Company. Representatives of Sentry Select Life Insurance Company reviewed both documents determined them to be fraudulent and altered. Sentry Select Life Insurance Company stated to the DOI that at no time has the company insured Midnight Sun Athletic Club.

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2 10. (iv) That during an interview with Investigator John R. Holley on October 1, 2019,
3 Lubitz did admit to having submitted an altered Certificate of Insurance to Carieanne Hall of
4 Midnight Sun Athletic Club. Lubitz advised that it was a Customer Service issue and that he
5 did not gain financially from the transaction.

6 E. Lubitz' actions in paragraphs (D) are violations of

- 7
8 (i) AS 21.27.020(b)(4) – a licensee shall be a trustworthy person;
9 (ii) AS 21.36.360(p)(2)(3)(4) – Criminal/Fraudulent Insurance Acts.
10 (iii) AS 21.36.030(a)(1) – misrepresentation;

11 These actions by Lubitz led Alaska consumer Carieanne Hall to believe that she had insurance
12 for her business, Midnight Sun Athletic Club, when she did not. If a claim had been filed by
13 Hall or any of the listed lienholders or interested parties it could have caused them to
14 experience great financial hardship.

15 F. The director of DOI, under AS 21.27.410(a) and AS 21.27.440(a)(3), may
16 revoke a license for a violation of AS 21; for material misrepresentation of the terms or effect
17 of an insurance contract with intent to deceive; for conduct considered by the director of DOI
18 to reflect incompetence or untrustworthiness, or to be a source of potential injury or harm to
19 the public; and for engaging in unfair or fraudulent insurance transactions.

20 G. The director of DOI, under AS 21.36.910(e), may revoke a license of a person
21 who knew or should have known that the person was in violation of AS 21.36.
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2 H. The director of DOI, under AS 21.27.440(a)(2), may impose a civil penalty of
3 not more than \$10,000 for each violation or a civil penalty of not more than \$25,000 for each
4 violation if the director of DOI determines that the person willfully violated the provisions of
5 AS 21.27.

6
7 I. The director of DOI, under AS 21.36.910(e), may impose a civil penalty of not
8 more than \$25,000 for each violation or \$250,000 for engaging in the general business practice
9 in violation of AS 21.36 if the director of DOI determines the person knew or should have
10 known that the person was in violation of AS 21.36.

11 II. TERMS OF AGREEMENT

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13 1. Lubitz stipulates and agrees

14 (i) that the conduct described in paragraph I.D. above constitutes a violation of
15 Alaska law, including AS 21.27.410(a), and that it is appropriate that the director of DOI
16 revoke insurance producer license number 98516, currently in Active status, effective as of the
17 date this order is signed by the director of DOI;

18
19 (ii) to mail his current Alaska insurance license back to the DOI and to have his
20 insurance producer license revoked for life and never to seek reinstatement or to reapply for an
21 insurance license in this state again;

22 (iii) that in the event Lubitz violates the terms of this agreement, Lubitz will be
23 subject to any and all sanctions authorized by the state's insurance laws including imposition
24 of a civil penalty under AS 21.27.440(a);

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2 (v) that Lubitz waives his right to a hearing and enters into this agreement
3 voluntarily with full knowledge of all rights he may have in this matter.

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5 2. Lubitz understands that this agreement is not binding on the parties unless and
6 until the director of DOI sign the order adopting this agreement.

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8 3. Lubitz further understands that this agreement resolves the civil liability issues
9 between the parties to this agreement related to his violation of the state's insurance laws but
10 he may still be subject to criminal liability.

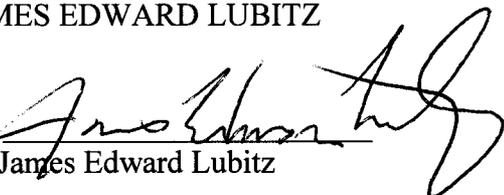
11 DATED: 10/22/2019

DIVISION OF INSURANCE

12 By: 
13 Alex Romero
14 Chief Investigator

15 DATED: 10/18/19

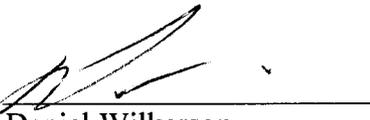
JAMES EDWARD LUBITZ

16 By: 
17 James Edward Lubitz

18
19 Approved as to form and content:

20 DATED: 10/22/19

KEVIN G. CLARKSON
ATTORNEY GENERAL

21
22 By: 
23 Daniel Wilkerson
24 Assistant Attorney General

25 ORDER

26 James Edward Lubitz
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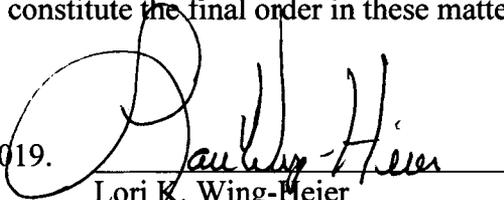
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IT IS ORDERED that insurance producer license number 98516 issued to James Edward Lubitz is hereby REVOKED by the director of DOI.

IT IS FURTHER ORDERED that this Stipulated Agreement and Order is adopted in full resolution of the civil liability issues between the parties to this agreement in these cases, and shall constitute the final order in these matters.

DATED this 23rd day of October 2019.



Lori K. Wing-Meier
Director, Division of Insurance

James Edward Lubitz
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