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STATE OF ALASKA

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

In the Matter of:)
)
Brown and Riding Insurance Services)
Inc.)
)
Licensee)
)

Case No. D 20-04

STIPULATED AGREEMENT AND ORDER

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

I. BACKGROUND

A. Brown holds surplus lines broker license number 93079.

B. Under AS 21.06.120, the division performed a limited and targeted premium tax audit of Brown’s surplus lines business for the period July 1, 2017 through June 30, 2019. The audit was completed and a report and order approving the report were issued on May 7, 2020 under TA 19-05. Both were sent to Brown on May 17, 2020.

C. Under one failed audit test in the audit report, 6 violations of AS 21.34 were identified as being within the control of Brown to correct in order to comply with Alaska insurance laws.

D. These 6 violations of AS 21.34 subjects Brown to civil penalties under AS 21.34.230.

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II. TERMS OF AGREEMENT

1. The division agrees that the next audit performed on Brown related hereto will exclude any quarter ending before January 1, 2021.

2. For the TA 19-05 audit violations, Brown 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 of the date that Brown is notified that the director has signed the order approving this agreement.

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

5. By signing this agreement, Brown 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 license number 93079.

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

DATED: 6/24/2020

DIVISION OF INSURANCE

By: Rebecca Nesheim
Rebecca Nesheim
Tax Auditor

1 DATED: 6/24/20

BROWN AND RIDING INSURANCE
SERVICES INC.

2 By: *Niloofar Farshadi*
3 Niloofar Farshadi
4 Compliance Officer

5
6 DATED: 6/29/20

KEVIN G. CLARKSON
ATTORNEY GENERAL

7 By: *Daniel Wilkerson*
8 Daniel Wilkerson
9 Assistant Attorney General

10
11 ORDER

12 IT IS ORDERED that this Stipulated Agreement and Order is adopted in full
13 resolution of the issues in this case, and shall constitute the final order in this matter.

14 DATED this 29th day of June, 2020.

15
16 *Lori Wing-Heier*
17 Lori Wing-Heier
18 Director