STATE OF ALASKA

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

In the Matter of:                     

AFFINITY INSURANCE SERVICES INC. 

Licensee 

Case No. D 21-06

STIPULATED AGREEMENT AND ORDER

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

I. BACKGROUND

A. Affinity holds surplus lines broker license number 9435.

B. Under AS 21.06.120, the division performed a limited and targeted premium tax audit of Affinity’s surplus lines business for the period January 1, 2019 through December 31, 2020. The audit was completed and a report and order approving the report were issued on August 18, 2021 under TA 21-02. Both were sent to Affinity on August 18, 2021.

C. Under the seven failed findings in the audit report, 138 violations of AS 21.34 were identified as being within the control of Affinity to correct in order to comply with Alaska insurance laws.
D. These 138 violations of AS 21.34 subjects Affinity to civil penalties under AS 21.34.230.

II. TERMS OF AGREEMENT

1. The division agrees that the next audit performed on Affinity related hereto will exclude any quarter ending before January 1, 2022.

2. For the TA 21-02 audit violations, Affinity agrees to pay a civil penalty under AS 21.34.230 in the amount of $70,000 with $35,000 suspended. The unsuspended penalty of $35,000 is payable within three months of the date that Affinity is notified that the director has signed the order approving this agreement.

3. In the event Affinity 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. Affinity also will be subject to any and all sanctions authorized by the insurance laws including imposing additional penalties.

5. By signing this agreement, Affinity 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 9435.

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

DATED: 10/20/2021

By: Rebecca Nesheim
Rebecca Nesheim
Tax Auditor

Stipulated Agreement and Order
Affinity Insurance Services Inc.
DATER: 10/19/2021

AFFINITY INSURANCE SERVICES INC.

By: Kenneth Mackunis
Compliance Officer

DATER: 10/21/21

TREG R. TAYLOR
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 2nd day of November, 2021.

Lori Wing-Heier
Director

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