

1 STATE OF ALASKA
2 DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC
3 DEVELOPMENT
4 DIVISION OF INSURANCE
5 550 W. 7th AVENUE, SUITE 1560
6 ANCHORAGE, ALASKA 99501-3567
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STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC
DEVELOPMENT
DIVISION OF INSURANCE
550 W. 7th AVENUE SUITE 1560
ANCHORAGE, ALASKA 99513-3567
PHONE: (907) 269-7980

10 In the Matter of:)
11)
12 HOTCHKISS INSURANCE AGENCY, LLC)
13 License # 3001486203)
14 Insurance Producer)
15)
16)

17 Division of Insurance Case No. D 22-08

18 STIPULATED AGREEMENT AND ORDER

19 The State of Alaska Division of Insurance (division) and Hotchkiss Insurance Agency,
20 LLC (HOTCHKISS), the producer in this case, stipulate and agree to the following:
21

22 I. BACKGROUND

23 A. On September 02, 2021, HOTCHKISS received their initial Insurance Producer
24 license with Casualty, and Property lines of authority, license # 3001486203,
25 authorizing HOTCHKISS to transact insurance business in Alaska. This license
26 expires September 02, 2023.
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HOTCHKISS INSURANCE AGENCY, LLC
Stipulated Agreement and Order

- 1 B. In a routine internal audit performed in May of 2022, it was discovered that
2 HOTCHKISS had sold policies prior to receiving their license.
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4 C. On June 21st, 2022, notice was sent to HOTCHKISS informing them of the
5 division's audit that revealed policies posted before initial licensure. This notice
6 requested a Business Transaction Form verifying any additional business that may
7 have been placed prior to licensure in the state of Alaska.
8
9 D. On July 01, 2022, Kim Ratliff of HOTCHKISS provided a Business Transaction
10 Form to the division. This form showed two policies had been sold prior to initial
11 licensure, on August 27th, 2021, generating a commission of \$4948.
12
13 E. On July 5th, 2022, a letter was issued to HOTCHKISS assessing a civil penalty in
14 the amount of \$4,948 with \$2,474 suspended. The unsuspended penalty of \$2,474
15 is payable to the division.
16
17 F. On July 5th, 2022, HOTCHKISS responded to the Division's request to move
18 forward and enter into a formal agreement to pay the civil penalty of \$2,474.

19 II. TERMS OF AGREEMENT
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- 21 A. The two policies sold on August 27th, 2021, prior to the license issuance date
22 were in violation of AS 21.27.440 which subjects HOTCHKISS to civil penalties.
23 AS 21.27.440(a) provides that "in addition to any other penalties provided by law,
24 a person that the director of the division (director) determines under AS
25 21.06.170-21.06.240 has violated the provisions of this chapter is subject to (1) a
26 civil penalty equal to the compensation promised, paid, or to be paid, directly or
27 indirectly, to a person in regard to each violation; (2) either a civil penalty of not
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more than \$10,000 for each violation or a civil penalty of not more than \$25,000 for each violation if the director determines that the person willfully violated the provisions of this chapter; and (3) denial, nonrenewal, suspension, or revocation of a license.” The director has the latitude to impose civil penalties against a person who has violated Alaska’s insurance laws

- B. HOTCHKISS agrees to pay the civil penalty under AS 21.27.440 in the amount of \$4,948 for activity that occurred prior to the issuance of the firm license with \$2,474 suspended.
- C. In the event HOTCHKISS violates Alaska insurance laws during the next two years, the suspended portion of the penalty referenced in paragraph one will be reinstated. HOTCHKISS will be subject to any and all sanctions authorized by the insurance laws including imposition of additional penalties regarding any such violation.
- D. By signing this agreement, HOTCHKISS understands and agrees that any failure to comply with the conditions of this agreement will be grounds to revoke, suspend, or not renew Alaska firm license 3001486203.
- E. HOTCHKISS understands that this agreement is not binding on the parties unless and until the director signs the order approving the agreement.

HOTCHKISS INSURANCE AGENCY, LLC
Stipulated Agreement and Order

1 DATED: 8/10/22

HOTCHKISS INSURANCE AGENCY, LLC

2
3 By: [Signature]

4 Gregory Hotchkiss
5 Chief Financial Officer

6 By: [Signature]

7 Kimberly Ratliff
8 Agency Service Administrator

9
10 Approved as to form and content:

11 DATED: 8/10/2022

12 By: [Signature]

13 for Susan Mitchell
14 Dan Wilkerson
15 Assistant Attorney General

16 ORDER

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

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21 DATED this 15th day of Aug., 2022.

22 [Signature]

23 Lori K. Wing-Heier
24 Director, Division of Insurance

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HOTCHKISS INSURANCE AGENCY, LLC
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