

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 99501-3567
PHONE: (907) 269-7900

10 In the Matter of:)
11)
12 McArthur Insurance Agency, Inc)
13 License # 3002117558)
14 Insurance Producer)

15 Division of Insurance Case No. D 22-15

17 STIPULATED AGREEMENT AND ORDER

18
19 The State of Alaska Division of Insurance (division) and McArthur Insurance Agency,
20 Inc (MCARTHUR), the producer in this case, stipulate and agree to the following:

21
22 I. BACKGROUND

- 23 A. On August 30th, 2022, MCARTHUR received their initial Insurance Producer
24 license with Casualty, and Property lines of authority, license # 3002117558,
25 authorizing MCARTHUR to transact insurance business in Alaska. This license
26 expires August 30th, 2022.
27
28 B. In a routine internal audit performed in August of 2021, it was discovered that
29 MCARTHUR had sold policies prior to receiving their license.

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- 1 C. On March 01, 2022, notice was sent to MCARTHUR informing them of the
2 division's audit that revealed policies posted before initial licensure. This notice
3 requested a Business Transaction Form verifying any additional business that may
4 have been placed prior to licensure in the state of Alaska.
5
6 D. On August 25th, 2022, a compliance letter was supplied to the designated
7 responsible licensed producer (DRLP) Michael Douglas McArthur informing that
8 the individual license did not extend authority to operate under the firm name
9 McArthur Insurance Agency, Inc, and requiring the firm to apply for licensure in
10 the state.
11
12 E. On August 29th, 2022 an application for the firm was received by the division.
13
14 F. On August 30th, 2022 a business transaction form was supplied to the division
15 indicating that six policies were sold prior to licensure in the state of Alaska,
16 totaling \$7,106 in commissions received.
17
18 G. On September 6th, 2022, a proposed agreement was issued to MCARTHUR
19 assessing a civil penalty in the amount of \$7,106 with \$3,553 suspended. The
20 unsuspended penalty of \$3,553 is payable to the division.
21
22 H. On September 13th, 2022, MCARTHUR responded to the Division's request to
23 move forward and enter into a formal agreement to pay the civil penalty of
24 \$3,553.

25 II. TERMS OF AGREEMENT
26

- 27 A. Between December 2019 and August 2022, six policies were transacted prior to
28 the license issuance date and were in violation of AS 21.27.440 which subjects
29

1 MCARTHUR to civil penalties. AS 21.27.440(a) provides that "in addition to any
2 other penalties provided by law, a person that the director of the division
3 (director) determines under AS 21.06.170-21.06.240 has violated the provisions
4 of this chapter is subject to (1) a civil penalty equal to the compensation
5 promised, paid, or to be paid, directly or indirectly, to a person in regard to each
6 violation; (2) either a civil penalty of not more than \$10,000 for each violation or
7 a civil penalty of not more than \$25,000 for each violation if the director
8 determines that the person willfully violated the provisions of this chapter; and (3)
9 denial, nonrenewal, suspension, or revocation of a license." The director has the
10 latitude to impose civil penalties against a person who has violated Alaska's
11 insurance laws
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13
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- 15 B. MCARTHUR agrees to pay the civil penalty under AS 21.27.440 in the amount
16 of \$7,106 for activity that occurred prior to the issuance of the firm license with
17 \$3,553 suspended.
- 18 C. In the event MCARTHUR violates Alaska insurance laws during the next two
19 years, the suspended portion of the penalty referenced in paragraph one will be
20 reinstated. MCARTHUR will be subject to any and all sanctions authorized by
21 the insurance laws including imposition of additional penalties regarding any such
22 violation.
23
24
- 25 D. By signing this agreement, MCARTHUR understands and agrees that any failure
26 to comply with the conditions of this agreement will be grounds to revoke,
27 suspend, or not renew Alaska firm license 3002117558.
- 28 E. MCARTHUR understands that this agreement is not binding on the parties unless
29 and until the director signs the order approving the agreement

McArthur Insurance Agency, Inc
Stipulated Agreement and Order

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DATED: 10/10/2022

MCARTHUR INSURANCE AGENCY, LLC

By: 
Mike McArthur
President

Approved as to form and content:

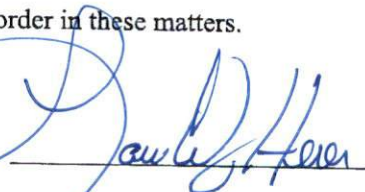
DATED: 10/10/2022

By: 
Susan Mitchell
Assistant Attorney General

ORDER

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 11th day of Oct, 2022.


Lori K. Wing-Heier
Director, Division of Insurance