

ALASKA LICENSE DENIALS, DISCIPLINARY ORDERS, REGULATORY ADOPTION ORDERS, REGULATORY ORDERS AND BULLETINS

LICENSE DENIALS

LD06-02 Steven P. Hook, stipulated agreement and order signed on December 18, 2006. Mr. Hook answered "yes" to question 39 (10 on the application and disclosed of an arrest in January 1994 in Washington. There were several other felony charges in April 1994 and July 1999. Because of Mr. Hook's felony conviction was for a crime of dishonesty, under 18 U.S.C. 1033(e)(2), he requested from his home state of Washington express written consent to work in the business of insurance which was granted on August 1, 2005. In May 2005 the state of California issued an order of summary revocation because Mr. Hook did not disclose his convictions on his license application in that state. On October 6, 2005 he was granted written consent under 18 U.S.C. 1033(e)(2). The director will honor the written consents allowing Mr. Hook to engage in the business of insurance under 18 U.S.C. 1033(e)(2) granted to him by states of Washington and California. The division will issue a nonresident individual in a firm insurance producer license for property/casualty authority to Mr. Hook subject to complying with the terms of this agreement in not violating the insurance code or regulations, and not committing any crimes in the future involving dishonesty or breach of trust or that otherwise bear on his trustworthiness or competency to hold an insurance license.

DISCIPLINARY ORDERS

D07-06 Village Insurance Agency, Inc., and Phillip D. Pearsall, Compliance Officer, signed on June 11, 2007. Stipulated Agreement and order for the unlicensed activity that occurred during the time licenses for both Village Insurance and Mr. Pearsall were in lapse status. Virginia Insurance Agency and Mr. Pearsall agree to pay a civil penalty under AS 21.27.440 of \$1,152.85 which equals the amount of the commission earned for the unlicensed activity that occurred between April 20, 2006 and March 16, 2007 and an additional penalty of \$10,000 for willfully violating the insurance with \$8,000 suspended.

D07-05 Mark W. Edlund, signed on June 11, 2007. Stipulated agreement and order for the unlicensed activity that occurred while license was in lapsed status. Mr. Edlund agrees to pay a civil penalty under AS 21.27.440(a) of \$47,191 which equals the amount of commission earned for the unlicensed activity while the license was in lapsed status, with \$31,191 suspended.

D07-01 Hub International Northeast Limited, signed on February 9, 2007. Stipulated agreement and order for the unlicensed activity that occurred between January 28, 2003 and January 28, 2006 during the time license was in lapsed status. HUB agrees to pay a civil penalty under AS 21.27.440 of \$9,943.15 which equals the amount of commission earned for the unlicensed activity that occurred between January 28, 2003 and January 28, 2006 with \$4,000 suspended.

D07-02 A&M Motors, Inc., d/b/a A&M RV Center, and Michael P. Gailey, Compliance Officer, signed on February 5, 2007. Stipulated agreement and order for unlicensed activity that occurred between April 20, 2006 and June 3, 2006, during the time licenses were in lapse status. A&M and Mr. Gailey agree to pay a civil penalty under AS 21.27.440 of \$1,706 which equals the amount of commission earned for the unlicensed activity that occurred between April 20, 2006 and June 3, 2006 and an additional penalty of \$10,000 for willfully violating the insurance code with \$5,000 suspended.

- D07-03 Alex A. Tate, d/b/a Tate Insurance Services**, service of accusation signed on January 19, 2007. As described in paragraphs 2 through 8 in the disciplinary order, Mr. Tate's assertion of a forgery of his signature under oath, when the signature is clearly his is a violation of AS 21.27.020(a) and (b)(4) and AS 21.36.360(d) and (e) and subject Mr. Tate's license to revocation under AS 21.27.410(a)(2) and (8) and 21.27.440. Mr. Tate's violations as described above are grounds to revoke his license under AS 21.27.410(a) and 21.27.440.
- D06-13 Barbara E. Kardys, d/b/a Adjusting Specialty Group, Inc.**, stipulated agreement and order signed on January 11, 2007. A Market Conduct Examination conducted for the period from January 1, 2005 through December 31, 2005 in which it issued a report under AS 21.06.150(b). Ms. Kardys was provided an opportunity to respond in writing to the matters in the examination report, but the division did not receive a response from her. On October 9, 2006 the director issued a order approving the report of market conduct. The order concluded that the examination report cited sufficient evidence to proceed with administrative actions for conduct in violation of Alaska law. The 57 files in the examination revealed that 31 files with a total of 116 violations of AS 21.27.870, AS 21.36.125, 3 AAC 26.030, 3 AAC 26.040, 3 AAC 26.050, or 3 AAC 26.100 or a combination of laws. The 116 violations subject Ms. Kardys to civil penalties under AS 21.27.440 and AS 21.36.320 in a total amount of up to \$500,000. The violations described above subject Ms. Kardys' license revocation under AS 21.27.410, AS 21.27.440, and AS 21.36.320. Pursuant to AS 21.27.420, the division will revoke Ms. Kardys' individual independent insurance adjuster license. Ms. Kardys agrees to pay a civil penalty under AS 21.27.440 in the amount of \$500,000 with \$500,000 suspended.
- D06-02 Shannan K. Kincade**, Licensee, stipulated agreement and order signed on December 21, 2006. Investigation by the Division of Insurance found that telephone calls made to obtain form 1033 were made from Ms. Kincade's telephone. In signing this agreement, Ms. Kincade does not admit or agree with any of the alleged above, and continues to deny same; however, she agrees to submit to administrative action and penalties under AS 21.27.410-21.27.440 and AS 21.36.360 solely to avoid the costs of litigation. Pursuant to AS 21.27.420, the division will suspend Ms. Kincade's limited lines insurance producer license from one year commencing effective on September 1, 2006. When Ms. Kincade applies to reinstate her license, she must comply with continuing education requirements necessary for license renewal. If she does not apply before December 1, 2007, any subsequent application would require that she retake and pass the examination required under AS 21.27.060. Ms. Kincade agrees to pay a civil penalty under AS 21.27.440(a) in the amount of \$5,000 with \$5,000 suspended.
- D06-14 Structured Financial Associates, Inc.**, stipulated agreement and order signed on December 13, 2006. Structured Financial Associates (SFA), the licensee stipulate and agree that the unlicensed activity that occurred during the time the license was in lapse status and resolved it as follows. On or about April 20, 2006, the division notified SFA that the firm license had lapsed. The division received the information necessary to reinstate the license effective May 23, 2006. SFA agrees to pay a civil penalty under AS 21.27.440(a) of \$15,141.99 which equals the amount of commission earned for the unlicensed activity that occurred on April 25, 2006, with \$11,641.99 suspended.
- D06-09 Micheal S. Fennell**, Licensee, stipulated agreement and order signed on October 30, 2006. Mr. Fennell holds a non-resident producer and surplus lines broker license. Under AS 21.34.080 and 21.34.170-21.34.190, Mr. Fennell was required to submit monthly reports of surplus lines transactions and pay surplus lines taxes and filing fees on transactions for the purchasing groups that he was listed as their agent. Mr. Fennell failed to properly report the surplus lines transactions for the purchasing groups and under paid the requisite taxes and fees. Mr. Fennell agrees to pay the amount of \$8,302, which equals the unpaid .7 percent of premium taxes for the policies reported for the purchasing groups from the time they were registered until May 31, 2006, plus a civil penalty under AS 21.34.230 of \$1,000, for a total of \$9,302, with \$1,000 suspended.

- D06-08** **Alaska Premier Underwriters, Inc., Lisa M. Wallis**, President and Compliance Officer, stipulated agreement and order signed on October 5, 2006. A Market Conduct Examination found evidence of conduct in violation of Alaska's insurance laws including: failure to timely file its surplus lines monthly, quarterly, and annual reports and its failure to timely forward surplus lines taxes and fees to the state in violations of AS 21.36.195, flawed and incomplete affidavits of due diligence in violation of 3 AAC.25.030(c); instances of documents being altered in violation of AS 21.36.360(p)(2), issuing policies late in violation of AS 21.34.100 and 3 AAC 25.060; policy stamping violations of AS 21.34.100(e) and (f); and documentation violations of AS 21.37.350(a). APUI and Ms. Wallis agree to pay a civil penalty under AS 21.36.320 in the amount of \$7,500 for the violations of AS 21.36.360.
- D06-07** **Chris A. Parker**, stipulated agreement and order signed on August 4, 2006. The unlicensed activity that occurred during the time his license was in lapse status. The unlicensed activity occurred between June 11, 2004 and October 20, 2005. Mr. Parker agreed to pay a civil penalty under AS 21.27.440(a) of \$6,983.43 which equals the amount of the commission earned for the unlicensed activity that occurred between June 11, 2004 and October 20, 2005, with \$3,500 suspended.
- D06-06** **Inter/National Rental Insurance, Inc. and James P. Bankson**, Compliance Officer, stipulated agreement and order signed on August 2, 2006. The unlicensed activity that occurred when Inter/National and Mr. Bankson were not appropriately licensed. The unlicensed activity had occurred between January 23, 2004 and May 19, 2005. Inter/National and Mr. Bankson agreed to pay a civil penalty under AS 21.27.440(a) in the amount of \$33,726.20, which equals the amount of commission earned for the unlicensed activity between January 23, 2004 and May 19, 2005, with \$20,000 suspended.
- D06-05** **Navigant International and Pamela K. Munson**, Compliance Officer, stipulated agreement and order signed on July 5, 2006. The unlicensed activity that occurred when Navigant and Ms. Munson were not appropriately licensed. On February 9, 2006, the division notified Navigant and Ms. Munson that their insurance licenses had lapsed for failure to renew. Prior to this instance, to the division's knowledge, Navigant and Ms. Munson have not engaged in unlicensed activity or otherwise violated the insurance code. Navigant and Ms. Munson agree to pay a civil penalty under AS 21.27.440(a) in the amount of \$466.16, which equals the amount of commission earned for the unlicensed activity between February 5, 2006 and March 21, 2006, with \$266.16 suspended.

REGULATORY ADOPTION ORDERS

Number	Subject	Adopted
RA06-01A	Rate, Rule, and Form Filings Regulations	11/12/2006
RA06-02	Miscellaneous Fees	12/31/2006
RA07-01	Consumer Credit Insurance	05/11/2007

REGULATORY ORDERS

Number	Subject	Effective Date
R07-03	Order Releasing Deposited Assets of Premera Blue Cross Blue Shield of Alaska Corporation Held Under AS 21.09.090 and AS 21.24	06/27/2007
R07-01	Order Releasing Deposited Assets of Pacific Benefits Trust Healthy Plans for Grocers Held Under AS 21.85.030	02/05/2007
R06-09	Surplus Lines Placement List	11/20/2006
R06-06	Approval with Modifications of the 2007 Workers' Compensation Loss Cost Filing and Assigned Risk Rate Filing	10/31/2006
R06-05	Order Releasing Deposited Assets of Travelers Indemnity Company of America Held Under AS 21.09.270 and 21.24.130	10/03/2006

SUSPENSION AND REVOCATIONS

Order No.	Company Name	Certificate of Authority Action	Effective Date
SR06-03(a)	American Travelers Assurance Company	Suspension	10/02/2006
SR06-01(a)	Vesta Fire Insurance Corporation	Revocation	08/02/2006
SR06-02(a)	Vesta Insurance Corporation	Suspension	08/02/2006

BULLETINS

Number	Subject	Effective Date
B07-03	The Purchase of a Preliminary Commitment for Title Insurance Before the Sale of the Property	06/21/2007
B07-02	Annual Survey on Health Insurance	03/24/2007
B07-01	Eligible Surplus Lines Insurers in the State of Alaska	03/15/2007
B06-18	Consent to Deviant Rate Filing Procedure	01/26/2007
B06-11	Changes to the Alaska Insurance Laws	08/15/2006
B06-12	Eligible Surplus Lines Insurers in the State of Alaska	07/18/2006
B06-13	Revised Workers' Compensation Voluntary Loss Costs and Assigned Risk Rates	08/25/2006
B06-15	Addendum to the List of Eligible Surplus Lines Insurers in the State of Alaska	10/09/2006
B06-16	Changes to Alaska's Individual Deferred Annuity Nonforfeiture Law	11/07/2006
B06-17	Voluntary Coverage Assistance Program	11/07/2006
B06-19	Line Codes for Surplus Lines Transaction Reports	11/10/2006
B06-07	Education Requirements for Producers Selling Flood Insurance Policies Under the National Flood Insurance Program	11/20/2006