

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

LICENSE DENIALS

None

DISCIPLINARY ORDERS

- D08-02** **Credit Union 1**, Stipulated Agreement and order signed on June 9, 2008, for unlicensed activity. CU1 agrees to pay a civil penalty under AS 21.27.440(a) of \$2,000, for this second instance of unlicensed activity, with \$1,000 suspended.
- D07-14** **ESES, Inc.**, Stipulated Agreement and order signed on April 15, 2008 for the unlicensed activity. ESES agrees to pay a civil penalty under AS 21.27.440(a) of \$107,049, which equals the amount of compensation the firm earned before its license was issued, with \$87,049 suspended.
- D07-13** **David S. Yeskin**, signed on December 14, 2007. Stipulated Agreement and order for the unlicensed activity that occurred during the time license was in lapse status. Mr. Yeskin agrees to pay a civil penalty under AS 21.27.440(a) of \$489.20, which equals the amount of commission earned for the unlicensed activity that occurred between May 17, 2007 and July 3, 2007, with \$239.20 suspended.
- D07-12** **Fred Adkerson, Inc. dba Fred's Bail Bonding, and Fred P. Adkerson, Compliance Officer**, signed on October 3, 2007. Stipulated Agreement and order for the unlicensed activity that occurred during the time license was in lapse status. Fred's and Mr. Adkerson agree to pay a civil penalty under AS 21.27.440(a) of \$13,033.75, which equals the amount of commission earned for the unlicensed activity that occurred between October 5, 2006 and December 21, 2006 with \$7,000 suspended.
- D07-10** **Risk Placement Services, Inc.**, signed on August 24, 2007. Stipulated Agreement and order for the unlicensed activity that occurred during the time license was in lapse status. RPS agrees to pay a civil penalty under AS 21.27.440(a) of \$23,171.20, which equals the amount of commission earned for the unlicensed activity that occurred between December 3, 2003 and November 13, 2004, with \$13,171.20 suspended.
- D07-09** **Willis of Seattle, Inc.**, Stipulated Agreement and order signed January 28, 2008. Willis placed USL&H coverage for a client in the surplus lines market for the policy years 2005 and 2006. A marketing assistant employed by Willis communicated with the decision to obtain authorization for those policies but did not submit the documentation required under AS 21.34.030 to place the insurance with a non-admitted insurer before the coverage was bound. On March 23, 2005, the division reminded the Willis employee to make the submission before renewal to comply with AS 21.34.030. In 2006, it was not until March 3 that Willis applied for the required exception for its client's policy with a renewal date of January 1, 2006. On May 9, 2006 the division again admonished the Willis employee regarding the untimely request. Willis was warned of potential penalties for violating the surplus lines requirements in the Alaska insurance code, advised that a future violation of this type would be considered willful, and encouraged to make future submissions early enough to obtain approval before renewal date. For the 2007 policy renewal, although an exception request was initiated in November, Willis did not submit the necessary material until late January, after the policy became effective on January 1, 2007. By their inaction, Willis has violated AS 21.34.020 and 21.34.030.

Willis agrees to pay civil penalties under AS 21.34.230(a) as follows: for violating AS 21.34.030, \$11,374.86, which equals the amount of commission earned on the 2007 policy; for willful violation of AS 21.34.030, \$20,000 with \$10,000 suspended; for violation of AS 21.34.020, \$5,000 with \$4,000 suspended. The unsuspended portion of the penalties is payable within six months from the date Willis is notified that the director has signed the order approving this agreement.

D05-14 International Association of Benefits (IAB), signed on July 2, 2007. Stipulated Agreement and order for all allegations of violations of AS 21.09.010; AS 21.27.010; AS 21.36.030; and AS 21.36.155 that are included in Cease and Desist Order D 05-14 issued to IAB are resolved by agreement as follows. IAB is a membership association subject to regulation by the division as a health discount plan (HDP). IAB is not licensed to sell insurance in Alaska, nor is IAB an authorized insurer in Alaska. IAB does not have direct contracts with health care providers in Alaska. IAB has contracts with network organizations that, in turn, have contracts with the health care providers. By ruling on Interpretation of AS 21.36.166, dated August 2, 2006, the Administrative Law Judge concluded that AS 21.36.155 requires health discount plans to have direct contract with providers of services. Therefore, IAB and the division agree on the following settlement terms to permit IAB to continue to do business in Alaska without violating Alaska's insurance laws.

IAB will change its current website at <http://www.iabbenefits.com> to comply with cancellation and refund requirements under AS 21.36.155(a)(5) and (6). IAB's website and any other advertising or promotional material accessible by Alaska consumers will make clear that IAB's health care services are not available in Alaska. IAB also agrees to make clear that it is not an insurer or acting as an insurance broker with respect to the limited reimbursable association insurance benefits that members can receive and in all of its advertising or solicitation materials to refer to the incidental insurance benefits.

Because of the change in the benefit plans in Alaska, IAB will notify current Alaska members of the changes and offer these members cancellation and refund opportunities as allowed under AS 21.36.155(a)(5) and (6).

By executing the offer approving this agreement, the director dismisses Cease and Desist Order D 05-14 issued in this matter.

D07-07 Luke I. Chapman, signed on July 2, 2007. Stipulated Agreement and order for the unlicensed activity that occurred during the time license was in lapse status. Mr. Chapman agrees to pay a civil penalty under AS 21.27.440(a) of \$7,807.50, which equals the amount of commission earned for the unlicensed activity that occurred between October 5, 2006 and December 21, 2006, with \$4,000 suspended.

REGULATORY ADOPTION ORDERS

| Number | Subject | Effective Date |
|----------------|---|-----------------------|
| RA08-02 | Reinsurers, Annual Audited Financial Reporting Requirements for Insurers, and Custodians of Insurer Assets | 03/01/2008 |
| RA08-01 | Automobile Service Corporations, Tax Payments by Authorized Insurers and Surplus Lines Brokers, Continuing Education for Licensees, Risk Retention Groups and Purchasing Groups, Surplus Lines Insurers and Brokers, Trade Practices, Annuity Contract Disclosures, Suitability in Annuity Contract Transactions, Life Insurance Policy and Annuity Contract Replacements, and Group Health Insurance | 02/08/2008 |

REGULATORY ORDERS

| Number | Subject | Effective Date |
|---------------|---|-----------------------|
| R08-07 | Order Releasing Deposited Assets of Significa Insurance Group, Inc. Held Under AS 21.09.270 and AS 21.24.130 | 06/19/2008 |
| R08-06 | Order Relasing Deposited Assets of Munich American Rein Company Held Under AS 21.09.270 and AS 21.24.130 | 06/04/2008 |
| R08-05 | Order Releasing Deposited Assets of American International Specialty Lines Insurance Company Held Under AS 21.09.090 and AS 21.24.130 | 05/08/2008 |
| R08-04 | Order Releasing Deposited Assets of Williamsburg National Insurance Company Held Under AS 21.09.270 and AS 21.24.130 | 01/22/2008 |
| R08-03 | Order Regarding the Creation of an Alaska State Special Workers' Compensation Classification Code | 01/15/2008 |
| R08-02 | Order Releasing Deposited Assets of Mapfe Insurance Company Held Under AS 21.09.270 and AS 21.24.130 | 01/22/2008 |
| R08-01 | Order Releasing Deposited Assets of Darwin National Assurance Company Held Under AS 21.09.270 and AS 21.24.130 | 01/14/2008 |
| R07-09 | Adoption of Risk Based Capital Instructions | 12/31/2007 |
| R07-08 | Approval with Modifications of the 2008 Workers' Compensation Loss Cost Filing and Assigned Risk Rate Filing | 11/05/2007 |
| R07-07 | Surplus Lines Placement List | 10/22/2007 |
| R07-06 | Determination of Impairment by the Division of the Alaska State Medical Association Health Care Plan | 07/25/2007 |
| R07-05 | Withdrawal of Aegis Security Insurance Company Bail Bond Agreement | 09/01/2007 |

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| R07-04 | Withdrawal of Allegheny Casualty Company Bail Bond Agreement | 09/01/2007 |
| R07-02 | Minimum Benefit Limits for Coverage for Treatment of Alcohol and Drug Abuse | 01/01/2008 |

SUSPENSION AND REVOCATIONS

| Order No. | Company Name | Certificate of Authority Action | Effective Date |
|------------------|---|--|-----------------------|
| SR07-02 | Alaska State Medical Association Health Care Plan | Suspension | 05/16/2007 |
| SR08-01 | Centennial Insurance Company | Suspension | 05/09/2007 |
| SR07-01 | Affinity Road & Travel Club, Incorporated | Suspension | 04/20/2007 |

BULLETINS

| Number | Subject | Effective Date |
|---------------|--|-----------------------|
| B08-03 | Annual Survey on Health Insurance | 02/08/2008 |
| B08-02 | Eligible Surplus Lines Insurers in the State of Alaska | 01/29/2008 |
| B08-01 | The Terrorism Risk Insurance Program Reauthorization Act of 2007 | 02/02/2008 |
| B07-06 | Unfair Trade Practices | 12/21/2007 |
| B07-05 | Eligible Surplus Lines Insurers in the State of Alaska | 07/27/2007 |
| B07-04 | Bail Bond Regulations | 08/09/2007 |