

January 24, 1995

Market Data Specialist
National Association of
Insurance Commissioners
120 West 12 Street, Suite 1100
Kansas City, MO 64105

Dear Sir or Madam:

Re: Marsh & McLennan
Cease & Desist Order D94-17

Effective immediately, Cease & Desist Order D94-17 is rescinded.

The information submitted to the division for issuance of the Order was inaccurate.

Please do not hesitate to contact me at (907) 465-2545 if you have questions.

Sincerely,

Linda Brunette
Licensing Supervisor

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012495a

January 23, 1995

Mr. Charles McCrann
Marsh & McLennan, Incorporated
1166 Avenue of the Americas
New York, NY 10036-2774

Dear Mr. McCrann:

RE: Cease & Desist Order D94-17

Thank you for your letter of November 28, 1994, received in our office December 6, 1994, requesting that the division withdraw Cease & Desist Order D94-17. I apologize for the delay and appreciate your patience.

Based upon your letter, the division will rescind Cease & Desist Order D94-17 since the premium allocation Schedule T filed in Home Insurance Company of Illinois' annual statement incorrectly identified an Alaska transaction for the Thompson Medical account when actually, the risk was located in Florida. Please find attached to this letter the notice sent to the National Association of Insurance Commissioners (NAIC) to rescind this order.

If you should have any additional questions or concerns, please do not hesitate to contact our office.

Sincerely,

Linda Brunette
Licensing Supervisor

LB/dgl627.lb
012395c

1 STATE OF ALASKA
2 DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
3 DIVISION OF INSURANCE
4 CEASE AND DESIST ORDER D94-17
5
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7 TO: Marsh & McLennan
8 1221 Avenue of Americas
9 New York, NY 10020
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11 It has been determined by the Division of Insurance that you have engaged in
12 transacting a business of insurance in Alaska, or relative to a subject resident, located
13 or to be performed in Alaska. The transaction of a business of insurance in Alaska is
14 defined in AS 21.90.900(39), which states:
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17 "Transact" with respect to insurance includes

- 18 (A) solicitation and inducement;
19 (B) preliminary negotiations;
20 (C) effectuation of contract of insurance;
21 (D) transaction of matters subsequent to effectuation of the contract of insurance
22 and arising out of it.
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In order to transact insurance in Alaska, a person must hold the appropriate license.

This is required by AS 21.27.010(a) which states:

A person may not act as or represent to be an insurance producer, managing general agent, reinsurance intermediary broker, reinsurance intermediary manager, surplus lines broker, or independent adjuster in this state or relative to a subject resident, located or to be performed in this state unless licensed under this chapter. A person may not act as or represent to be a managing general agent, reinsurance intermediary broker, or reinsurance intermediary manager representing an insurer domiciled in this state regarding a risk located outside this state unless licensed by this state.

AS 21.27.440(a) states:

In addition to any other penalty provided by law, a person that the director determines under AS 21.06.170 - 21.06.240 has violated the provisions of this chapter is subject to

- (1) a civil penalty equal to the compensation promised, paid, or to be paid, directly or indirectly, to a licensee in regard to each violation;

1 (2) either a civil penalty of not more than \$10,000 for each violation or a civil
2 penalty of not more than \$25,000 for each violation if the director determines that
3 the person willfully violated the provisions of this chapter; and
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6 (3) denial, nonrenewal, suspension or revocation of a license.
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8 Since you do not hold the appropriate license and have been transacting the business
9 of insurance in this state, you are hereby ordered to cease and desist from further
10 violation of Alaska Law. Continued transaction of insurance in Alaska will be
11 considered a gross and willful violation and will be subject to appropriate
12 administrative action, as well as possible criminal remedies.
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15 AS 21.90.020 states:
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17 A person determined by the director, following an appropriate hearing as provided
18 in AS 21.06.170 - AS 21.06.230, to have violated a provision of this title or a
19 regulation adopted under it, for which violation a greater penalty is not provided
20 in this title, is subject to a civil penalty of not more than \$2,500.
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1 This order is effective immediately.
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4 Dated at Juneau, Alaska this 26th day of May, 1994.
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10 *for* John Berman
11 David J. Walsh, Director
12 Division of Insurance
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STATE OF ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
P.O. BOX 110805
JUNEAU, ALASKA 99811-0805
(907) 465-2515