

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
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STATE OF ALASKA

DEPARTMENT OF COMMERCE, COMMUNITY, & ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

In the Matter of:)
)
SEABURY & SMITH, INC.,)
)
Licensee.)
_____)

Case No. D 09-20

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and Seabury & Smith, Inc. (S&S), the licensee in this case, stipulate and agree to the following:

I. BACKGROUND

- A. S&S holds Alaska firm insurance producer license #8386.
- B. In 2006, the division and S&S entered into a stipulated agreement regarding unlicensed activity, which was approved by Director Hall by order dated June 2, 2006, Case No. D 06-04. Under the terms of the agreement, S&S agreed to pay a civil penalty of \$11,530 with \$5,000 suspended as long as S&S did not violate the insurance code or applicable regulations during the subsequent two years.
- C. In 2007 and 2008, the division became aware of three different individuals who hold producer licenses with S&S whose licenses lapsed. Each of them conducted unlicensed activity before their licenses were reinstated, during three different periods between July 10, 2007 and September 1, 2008. The three individuals are salaried employees of S&S and the compensation earned on this unlicensed activity was earned by S&S in the total amount of \$24,378.72.

1 D. S&S is responsible for the activities of its employees and for ensuring
2 that they comply with the insurance laws of the states in which they are licensed. Therefore,
3 S&S violated AS 21.27.140(b) and 21.27.410(a)(2) and (b).

4 E. Because some of the unlicensed activity occurred before June 2, 2008,
5 the terms of paragraph 5 of agreement D 06-04 have been activated.

6
7 II. TERMS OF AGREEMENT

8 1. S&S agrees to pay a civil penalty under AS 21.27.440 in the amount of
9 \$24,378.72, which equals the amount of commission earned for the unlicensed activity between
10 July 10, 2007 and September 1, 2008, with \$10,000 suspended.

11 2. Under the terms of paragraph 5 of Stipulated Agreement and Order,
12 D 06-04, the suspended penalty in the amount of \$5,000 listed in paragraph 3 is reinstated.

13 3. S&S agrees to pay a civil penalty under AS 21.27.440(2) in the amount
14 of \$30,000, with \$20,000 suspended.

15 4. The unsuspended penalties listed in items 1 through 3 are payable within
16 six months of the time S&S is notified that the director signed the order approving this
17 agreement.

18 5. In the event S&S violates the insurance code or applicable regulations
19 during the next two years, the suspended portion of the penalties in paragraphs 1 and 3 will be
20 reinstated. S&S also will be subject to any and all sanctions authorized by the insurance code
21 including imposition of additional fines or penalties.

22 6. By signing this agreement, S&S understands and agrees that any failure
23 to comply with the conditions of this agreement will be grounds to revoke, suspend, or not
24 renew Alaska insurance license #8386.
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