

1 STATE OF ALASKA
2 DEPARTMENT OF COMMERCE, COMMUNITY, & ECONOMIC DEVELOPMENT
3 DIVISION OF INSURANCE
4

5 In the Matter of:)
6 KACHEMAK BAY TITLE AGENCY, INC.,)
7 Licensee.)
8 _____)

9 Case No. D 10-05

10 STIPULATED AGREEMENT AND ORDER

11 The Division of Insurance (division) and Kachemak Bay Title Agency, Inc.
12 (KBT) stipulate and agree to the following:

- 13 1. KBT has held Alaska firm limited lines title insurance producer license
14 number 8071 since August 1977. Christopher M. Hough is the current compliance officer for
15 the firm, and is responsible for the firm and all of its employees being in compliance with the
16 Alaska insurance code. Previously, Jolene M. Grady was the compliance officer for the firm.
17
18 2. On or about October 20, 2008, the division received notification from
19 Mr. Hough that he replaced Ms. Grady as the compliance officer for the firm, effective August
20 26, 2008.
21
22 3. As required by the division, Mr. Hough submitted a notarized statement
23 regarding the business that occurred between the time Ms. Grady left the firm and before the
24 division was notified of the new compliance officer. The statement indicated that 76 policies
25 were issued between August 26, 2008 and October 20, 2008 and that \$52,396.25 in premiums
26 was paid to KBT. Of that amount, \$47,157.53 was retained by KBT, with the remaining
balance paid to the insurer or to other title agencies. Compensation for title insurance

1 producers is unique, when compared to insurance producers for other lines of authority, in that
2 the title agency retains most of the premium to cover costs associated with maintenance of the
3 title plant, conducting title searches, funds to settle claims, and other administrative functions
4 typically performed by the insurer for other types of insurance.

5
6 4. KBT agrees to pay a civil penalty under AS 21.27.440(a) of \$4,000, for
7 the business that occurred between August 26, 2008 and October 20, 2008, with \$2,000
8 suspended. The unsuspended portion of the penalty is payable at the time KBT is notified that
9 the director has signed the order approving this agreement.

10 5. In the event KBT or Mr. Hough violates the insurance code or applicable
11 regulations during the next two years, the suspended portion of the fine referenced in paragraph
12 4 will be reinstated. KBT and Mr. Hough also will be subject to any and all sanctions
13 authorized by the insurance code including imposition of additional fines or penalties.

14 6. By signing this agreement, KBT and Mr. Hough understand and agree
15 that any failure to comply with the terms of this agreement may be grounds to revoke, suspend,
16 or non-renew Alaska insurance license #8071.

17
18 7. KBT and Mr. Hough understand that this agreement is not binding on
19 the parties unless and until the director signs the order approving the agreement.

20
21 DATED: 3/31/10

DIVISION OF INSURANCE

22
23 By:



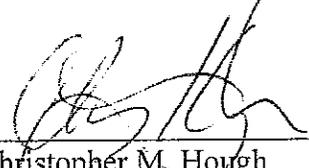
Linda Brunette
Program Coordinator

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DATED: 3/21/10

KACHEMAK BAY TITLE AGENCY, INC.

By:


Christopher M. Hough
Compliance Officer

DATED: 3/24/10

By:


C. Michael Hough
Attorney for Licensee

Approved as to form and content:

DATED: 3/26/10

DANIEL S. SULLIVAN
ATTORNEY GENERAL

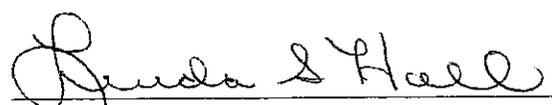
By:


Daniel Wilkerson
Assistant Attorney General

ORDER

IT IS ORDERED that this Stipulated Agreement and Order is adopted in full resolution of the issues in this case, and shall constitute the final order in this matter.

DATED this 31st day of March, 2010.


Linda S. Hall
Director of Insurance