

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

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

In the Matter of:)
)
APPALACHIAN UNDERWRITERS, INC., and)
ROBERT J. AROWOOD, Compliance Officer,)
)
Licensees.)
_____)

Case No. D 10-15

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and Appalachian Underwriters, Inc. (Appalachian), and Robert J. Arowood (Mr. Arowood), Compliance Officer, the licensees in this case, stipulate and agree that the unlicensed activity that occurred regarding licenses #73703 and #69463 is resolved as follows:

1. On May 27, 2008, the division received an application from Mr. Arowood for a license for property/casualty and surplus lines broker authority representing Appalachian. Mr. Arowood had previously applied for and had been issued an individual producer license effective March 1, 2008. On June 4, 2008, the division received an electronic application from Appalachian for an Alaskan firm producer license. Both applications were incomplete and the licenses subsequently were issued with an effective date of September 18, 2008.

2. As required by the division, a notarized statement was submitted listing whether business had been transacted before the licenses were issued. The statement indicated that Appalachian had been involved in approximately 60 placements between January 1, 2007

1 and September 15, 2008 while the firm and its compliance officer were was not appropriately
2 licensed.

3 3. Appalachian and Mr. Arowood are responsible for ensuring that the firm
4 and its employees comply with Alaska's insurance laws and are subject to penalties under
5 AS 21.27.440 for unlicensed activity.

6 4. Appalachian and Mr. Arowood agree to pay a civil penalty under
7 AS 21.27.440 of \$24,723.13, which equals the amount of commission earned for the unlicensed
8 activity between January 1, 2007 and September 15, 2008, with \$14,723.13 suspended. The
9 unsuspended portion of the penalty is payable at the time Appalachian and Mr. Arowood are
10 notified that the director has signed the order approving this agreement.

11 5. In the event Appalachian and Mr. Arowood violate the insurance laws
12 during the next two years, the suspended portion of the penalty referenced in paragraph 4 will
13 be reinstated. Appalachian and Mr. Arowood also will be subject to any and all sanctions
14 authorized by statute, including imposition of additional fines or penalties.

15 6. By signing this agreement, Appalachian and Mr. Arowood understand
16 and agree that any failure to comply with the conditions of this agreement will be grounds to
17 revoke, suspend, or not renew Alaska insurance licenses #73703 and #69463.

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

20 DATED: 1-3-11

21 DIVISION OF INSURANCE

22 By:

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24 Linda Brunette
25 Program Coordinator
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DATED: 12/21/10

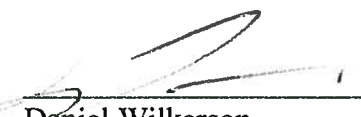
APPALACHIAN UNDERWRITERS, INC.

By: 
Robert J. Arowood
Compliance Officer

Approved as to form and content:

DATED: 1/11/11

JOHN J. BURNS
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 11 day of JANUARY, 20 11.


Linda S. Hall
Director of Insurance

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