

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

In the Matter of:)
MARSH USA INC.)
Licensee)
_____)

Case No. D 15-11

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and Marsh USA Inc. (Marsh), the licensee in this case, stipulate and agree to the following:

I. BACKGROUND

A. Marsh holds surplus lines broker and firm insurance producer license number 7782.

B. Under AS 21.06.130, the division performed a limited and targeted premium tax audit of Marsh's surplus lines business for the period July 1, 2012 through June 30, 2014. The audit was completed and a report and order approving the report were issued on March 10, 2015 under TA 14-03. Both were sent to Marsh on March 11, 2015.

C. Under seven findings in the audit report, 157 violations of AS 21.34 were identified that are within the control of Marsh to correct in order to comply with Alaska insurance laws. However, only five findings with 107 violations in the 2014 audit were previously identified in the 2010 audit.

D 15-11
Marsh USA Inc.

STATE OF ALASKA
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DIVISION OF INSURANCE
NINTH FLOOR STATE OFFICE BUILDING
333 WILLOUGHBY AVENUE
JUNEAU, ALASKA 99801
PHONE: (907) 465-2515 • FAX: (907) 465-3422
IF YOU NEED HEARING ASSISTANCE, PLEASE CALL ALASKA RELAY AT 711

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D. The 107 violations of AS 21.34 subject Marsh to civil penalties under AS 21.34.230.

II. TERMS OF AGREEMENT

1. The division agrees that the next audit performed on Marsh related hereto will exclude any quarter before July 1, 2015.

2. For the TA 14-03 audit violations, Marsh agrees to pay a civil penalty under AS 21.34.230 in the amount of \$50,000 with \$25,000 suspended. The unsuspended penalty of \$25,000 is payable within three months from the time Marsh is notified that the director has signed the order approving this agreement.

3. In the event Marsh is found to have violated the Alaska insurance laws during the next audit, the suspended portion of the penalty referenced in paragraph 2 will be reinstated. Marsh also will be subject to any and all sanctions authorized by the insurance laws including imposing additional penalties.

4. By signing this agreement, Marsh understands and agrees that any failure to comply with the terms of this agreement may be grounds to revoke, suspend, or non-renew Alaska surplus lines broker and firm insurance producer license number 7782.

5. Marsh understands that this agreement is not binding on the parties unless and until the director signs the order approving the agreement.

DATED: 6/1/15

DIVISION OF INSURANCE

By: Rebecca Nesheim
Rebecca Nesheim
Tax Auditor

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DATED: 5/28/2015

MARSH USA INC

By: 
Richard May
Compliance Officer

Approved as to form and content:

DATED: 6/4/15


CRAIG W. RICHARDS
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 15th day of June, 2015.


Lori Wing-Heier
Director