

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:)
)
)
Affinity Insurance Services Inc.)
)
Licensee)
_____)

Case No. D 24-27

STIPULATED AGREEMENT AND ORDER

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

I. BACKGROUND

A. Affinity holds surplus lines broker license number 9435.

B. Under AS 21.06.120, the division performed a limited and targeted premium tax audit of Affinity’s surplus lines business for the period January 1, 2022, through December 31, 2023. The audit was completed and a report and order approving the report were issued on July 18, 2024, under TA 24-01. Both were sent to Affinity on July 18, 2024.

C. Under four failed finding in the audit report, 10 violations of AS 21.34 were identified as being within the control of Affinity to correct in order to comply with Alaska insurance laws.

D. These 10 violations of AS 21.34 subjects Affinity to civil penalties under AS 21.34.230.

E. Due to these violations having been found during the subsequent audit after the Stipulated Agreement and Order D 21-06 entered between the division and Affinity was signed, the

1 previously suspended civil penalty of \$35,000 in that Stipulated Agreement and Order is now
2 subject to reinstatement.

3 II. TERMS OF AGREEMENT

4 1. The division agrees that the next audit performed on Affinity related hereto will
5 exclude any quarter ending before January 1, 2025.

6 2. For the TA 24-01 audit violations, Affinity agrees to pay a civil penalty under AS
7 21.34.230 in the amount of \$10,000 with \$5,000 suspended. The unsuspended penalty of \$5,000 is
8 payable within three months of the date Affinity is notified the director has signed the order
9 approving this agreement.

10 3. For the reinstated penalty under Stipulated Agreement and Order D 21-06, Affinity
11 agrees to pay \$35,000 within three months of the date Affinity is notified that the director has
12 signed the order approving this agreement.

13 4. In the event Affinity is found to have violated the Alaska insurance laws during the
14 next audit resulting in failed findings, the suspended portion of the penalty referenced in paragraph
15 2 will be reinstated. Affinity also will be subject to any and all sanctions authorized by the
16 insurance laws including imposing additional penalties.

17 5. By signing this agreement, Affinity understands and agrees that any failure to comply
18 with the terms of this agreement may be grounds to revoke, suspend, or non-renew Alaska surplus
19 lines broker license number 9435.

20 6. Affinity understands that this agreement is not binding on the parties unless and until
21 the director signs the order approving the agreement.
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DATED: 8/14/2024

DIVISION OF INSURANCE

By: Rebecca Nesheim
Rebecca Nesheim
Tax Auditor

DATED: 08/14/2024

AFFINITY INSURANCE SERVICES INC.

By: Kenneth Mackunis
Kenneth Mackunis
Compliance Officer

DATED: 8/14/2024

TREG R. TAYLOR
ATTORNEY GENERAL

By: Daniel Wilkerson
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 14th day of August, 2024.

DocuSigned by:
Lori Wing-Heier
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Lori Wing-Heier
Director