

1  
2  
3  
4

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

5  
6  
7

CEASE AND DESIST ORDER D96-10

8  
9  
10

TO: Jess Sixkiller President Native American Insurance Co. P.O. Box 5450 Scottsdale, AZ 85261-5450	Howard B. Utsey Treasurer Native American Insurance Co. P.O. Box 5450 Scottsdale, AZ 85261-5450
--	---

11  
12  
13

The Division of Insurance has determined that Native American Insurance Company is acting as an insurer and is transacting a business of insurance in Alaska, or relative to a subject resident, located or to be performed in Alaska without legal authority in violation of state law.

14  
15

Under AS 21.90.900 (24), an "'insurer' includes a person engaged as indemnitor, surety, or contractor in the business of entering into contracts of insurance or of annuity".

16  
17

The transaction of a business of insurance in Alaska is defined in AS 21.90.900(39), which states:

18  
19

"transact" with respect to insurance includes:

- 20  
21  
22  
23  
24
- (A) solicitation and inducement;
  - (B) preliminary negotiations;
  - (C) effectuation of a contract of insurance;
  - (D) transaction of matters subsequent to effectuation of the contract of insurance and arising out of it.

25  
26

In order to transact insurance in Alaska, an insurer must hold an appropriate certificate of authority. This is required by AS 21.09.010, which states:

(a) A person may not act as an insurer and a (sic) insurer may not transact insurance in this state except as authorized by a subsisting certificate of authority issued to it by the director, except as to transactions which are expressly otherwise provided for in this title.

(b) A (sic) insurer may not have or maintain in this state an office, representative, or other facility for the solicitation or servicing of any kind of insurance in another state unless the insurer is authorized to transact the same kind of insurance in this state.

3601C STREET, SUITE 1324  
ANCHORAGE, ALASKA 99503-5948  
PHONE (907) 269-7900  
FAX (907) 269-7910  
TDD (907) 465-5437

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

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

An insurer transacting insurance in the state without a certificate of authority is subject to the following penalties.

AS 21.09.260 states:

An insurer that the director determines, following an appropriate hearing as provided in AS 21.06.170 - 21.06.230, has violated the provisions of AS 21.09.250 is subject to a civil penalty of not more than \$2,500 for each violation. The director may suspend or revoke the license of the insurer for a violation of AS 21.09.250, but violation does not invalidate the insurance contract.

AS 21.33.065 states:

(a) A person other than an insured, who in this state represents or aids a nonadmitted insurer in violation of AS 21.33.037, is subject to a civil penalty of not more than \$50,000 in addition to applicable criminal penalties and other penalties prescribed in this title.

(b) In addition to any other penalty provided, a person who violates a provision of this chapter is subject to a civil penalty of not more than \$10,000 for the first offense and not more than \$100,000 for each succeeding violation.

AS 21.90.020 states:

A person determined by the director, following an appropriate hearing as provided in AS 21.06.170 - 21.06.230, to have violated a provision of this title or a regulation adopted under it, for which violation a greater penalty is not provided in this title, is subject to a civil penalty of not more than \$2,500.

Since you do not hold the appropriate certificate of authority and have been transacting the business of insurance in this state, you are hereby ordered to cease and desist from further violation of Alaska law. Continued transaction of insurance in Alaska will be considered a gross and willful violation and will be subject to appropriate administrative action, as well as possible criminal remedies.

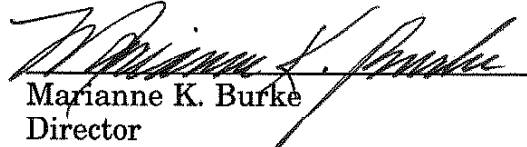
This order is effective immediately.

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

3601 C STREET, SUITE 1924  
ANCHORAGE, ALASKA 99503-5948  
PHONE (907) 269-7900  
FAX (907) 269-7910  
TDD (907) 465-5437

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

Dated at Anchorage, Alaska this 23<sup>rd</sup> day of August, 1996.

  
Marianne K. Burke  
Director  
Division of Insurance

C&DNAIC.PBK