

STATE OF ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
3601 C STREET, SUITE 1324
ANCHORAGE, ALASKA 99503-5948
PHONE (907) 269-7900
FAX (907) 269-7910
TDD (907) 465-5437

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2 STATE OF ALASKA
3 DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
4 DIVISION OF INSURANCE

5 CEASE AND DESIST ORDER D98-09

6 TO: Karen Johnston
7 Northwestern Risk Specialists, Inc.
8 520 Pike Street, Suite 2720
9 Seattle, WA 98101-4020

10 It has been determined by the Division of Insurance that you have engaged in
11 transacting a business of insurance in Alaska, or relative to a subject resident,
12 located or to be performed in Alaska. The transaction of a business of insurance
13 in Alaska is defined in AS 21.90.900(39), which states:

14 "transact" with respect to insurance includes

- 15 (A) solicitation and inducement;
- 16 (B) preliminary negotiations;
- 17 (C) effectuation of a contract of insurance;
- 18 (D) transaction of matters subsequent to effectuation of the contract of
19 insurance and arising out of it.

20 In order to transact insurance in Alaska, a person must hold the appropriate
21 license. This is required by AS 21.27.010(a), which states:

22 Except as provided otherwise in this chapter, a person may not act as or
23 represent to be an insurance producer, managing general agent,
24 reinsurance intermediary broker, reinsurance intermediary manager,
25 surplus lines broker, or independent adjuster in this state or relative to a
26 subject resident, located, or to be preformed in this state unless licensed
under this chapter. A person may not act as or represent to be a managing
general agent, reinsurance intermediary broker, or reinsurance
intermediary manager representing an insurer domiciled in this state
regarding a risk located outside this state unless licensed by this state.

AS 21.27.440(a) states in part:

In addition to any other penalty provided by law, a person that the director
determines under AS 21.06.170 - 21.06.240 has violated the provisions of
this chapter is subject to

- (1) a civil penalty equal to the compensation promised, paid, or to be paid,
directly or indirectly, to a person in regard to each violation;

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(2) either a civil penalty of not more than \$10,000 for each violation or a civil penalty of not more than \$25,000 for each violation if the director determines that the person wilfully violated the provisions of this chapter

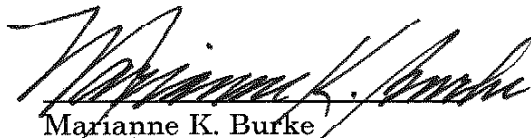
AS 21.90.020 states:

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.

You are hereby ordered to cease and desist from transacting the business of insurance in this state since you do not hold the appropriate license. 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.

Dated at Anchorage, Alaska this 10th day of September, 1998.


Marianne K. Burke
Director
Division of Insurance

C&DKJNRS.WPD