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

In the Matter of: )  
)  
CC SERVICES, INC., d/b/a COUNTRY )  
INSURANCE & FINANCIAL SERVICES, and )  
ALBERT MICHAEL DANIELS, )  
COMPLIANCE OFFICER, )  
)  
Licensees. )  
\_\_\_\_\_ )

Case No. D 03-10

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and CC Services, Inc., d/b/a Country Insurance & Financial Services, (CC Services) and Albert Michael Daniels, (Mr. Daniels), the licensees in this case, stipulate and agree that the failure of CC Services and Mr. Daniels to ensure that the branch locations of CC Services in Soldotna and Wasilla and those employed at those locations were properly licensed, and the unlicensed activity that occurred during that time are resolved as follows:

1. Mr. Daniels admits that, as Compliance Officer for the firm, he is responsible for ensuring that the firm's branch locations comply with the Alaska insurance laws, particularly that the locations and those employed at the locations are properly licensed before insurance business is transacted.
2. In October 2001, Mr. Daniels and Robin Notter, who was then employed by CC Services, were notified that the division was aware that unlicensed activity had occurred

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2 at the Soldotna location, in violation of AS 21.27.010(a) and 21.27.140. In June 2002 the  
3 division proposed to settle the matter by the assessment of a civil penalty of \$2,947.78, which  
4 equals the amount of commission that was earned during the unlicensed period between July  
5 30, 2001 and September 25, 2001, with a portion of it suspended. No settlement agreement was  
6 reached at that time.

7 3. In May 2002, legal counsel for CC Services contacted the division  
8 regarding unlicensed activity at the Wasilla branch location. Counsel suggested that there had  
9 been a mistaken assumption that a licensed producer could work out of a location before a firm  
10 license was issued for the location. In the Wasilla matter, two licensees conducted insurance  
11 business before the Wasilla location was added to their licenses and before the Wasilla location  
12 was issued a license, in violation of AS 21.27.010(a) and 21.27.140.

13 4. When the problems with the Soldotna location occurred, the division  
14 repeatedly advised Mr. Daniels that the firm license needed to obtain a license before anyone at  
15 the firm location could transact insurance business. Since the Soldotna unlicensed activity  
16 occurred in 2001, well before the 2002 unlicensed activity in Wasilla, the Wasilla violations  
17 could be considered wilful under AS 21.27.440(a).

18 5. The division recognizes that CC Services has since implemented internal  
19 procedures to ensure compliance with Alaska insurance laws at all their Alaska locations.

20 6. CC Services and Mr. Daniels agree to pay civil penalties under  
21 AS 21.27.440(a) as follows:

22 a. \$2,947.78, which equals the amount of commission earned during the  
23 unlicensed period between July 30, 2001 and September 25, 2001 at the Soldotna location;  
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b. \$5,154.61, which equals the amount of commission earned during the unlicensed period between January 8, 2002 and April 2, 2002 at the Wasilla location; and

c. \$20,000 with \$15,000 suspended.

The unsuspended portion of the penalties is payable within six months from the date the director signs the order approving the agreement.

7 In the event CC Services or Mr. Daniels violates the insurance code or applicable regulations during the next two years, the suspended portion of the fine referenced in paragraph 6c will be reinstated. CC Services and Mr. Daniels also will be subject to any and all sanctions authorized by the insurance code including imposition of additional fines or penalties.

8. By signing this agreement, CC Services and Mr. Daniels understand and agree that any failure to comply with the conditions of this agreement will be grounds to revoke, suspend, or not renew producer license #25517, #27411, and #21976.

9. CC Services and Mr. Daniels understand that this agreement is not binding on the parties unless and until the director signs the order approving the agreement.

DATED: 8/28/03

DIVISION OF INSURANCE

By: Linda Brunette  
Linda Brunette  
Program Coordinator

DATED: 8/19/03

CC SERVICES, INC., d/b/a/ COUNTRY  
INSURANCE & FINANCIAL SERVICES

*CC Services INC. DSA Country  
INS. + Financial Services*  
By: Albert Michael Daniels  
Albert Michael Daniels *compliance officer*  
Compliance Officer

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DATED: 8/17/03

Albert Michael Daniels  
Albert Michael Daniels

Approved as to form and content:

DATED: 9/10/03

GREGG D. RENKES  
ATTORNEY GENERAL

By: Nathanicl B. Atwood  
Nathanicl B. Atwood  
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 10<sup>th</sup> day of September, 2003.

Linda S. Hall  
Linda S. Hall  
Director of Insurance