

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

CEASE AND DESIST ORDER D 04-13

TO: North American Marine General Insurance Company, Ltd.  
P.O. Box 6-1097  
Eldorado, Panama  
Republic of Panama

Gerald Beaudoin, President  
International Water Marine Safety Foundation  
905 Michele-Bohec Blvd., Suite 204  
Blainville, Province of Quebec, Canada J7C-5J6

International Water Marine Safety Foundation  
Helena House  
The Esplanade, Sandgate  
Kent, CT20-3DX England

The Division of Insurance (division) has determined that North American Marine General Insurance Company, Ltd. (NAMGIC), Gerald Beaudoin, and International Water Marine Safety Foundation (IWMSF), have been transacting the business of insurance in Alaska **without authorization**, in violation of AS 21.09.010 and AS 21.27.010.

**Background**

- I. On March 27, 2003, the Alaska Division of Investments contacted the division to determine if NAMGIC was a licensed insurer in Alaska and to provide the division with copies of two certificates of insurance issued by NAMGIC for Alaska residents. The certificates were written by a licensed producer in Alaska, issued by IWMSF and underwritten by NAMGIC. Both certificates were for vessels of 50 displacement tons or less.
- II. On April 4, 2003, the Director of Insurance authorized an investigation of NAMGIC and any affiliated parties. An investigation was conducted, which resulted in the following findings.

**Findings**

- A. NAMGIC is not now and never has been admitted or authorized to act as insurer in this state under AS 21.09.010 or any other section of the Alaska insurance code.
- B. Gerald Beaudoin has never applied for licensure or been licensed as an Alaska insurance producer under AS 21.27 or any other section of the Alaska insurance code.
- C. IWMSF has never applied for licensure or been licensed as an Alaska insurance producer under AS 21.27 or any other section of the Alaska insurance code.

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- D. The investigation found no evidence that NAMGIC is registered or licensed in any insurance regulatory jurisdiction. NAMGIC is not listed in the National Association of Insurance Commissioners database of licensed insurers or by any independent insurance rating agency.
- E. The division obtained copies of IWMSF fax solicitations that had been sent to Alaska insurance producers. Alaska boat and snowmobile dealers also received IWMSF fax solicitations.
- F. The investigation revealed that that cease and desist orders have been issued to NAMGIC and IWMSF by Texas, Washington, Oregon, Massachusetts, Vermont, Ohio, Pennsylvania, and Colorado. These states have imposed total fines in excess of \$1,000,000.00. Some of these states have issued multiple orders and imposed multiple fines. Texas imposed additional sanctions due to NAMGIC's failure to respond to prior orders.
- G. NAMGIC and IWMSF advertise that the insurance they solicit is "Wet Ocean Marine Insurance" and contend that this insurance is not subject to state regulation. The investigation found that NAMGIC and IWMSF solicit coverage for vessels of 50 displacement tons or less. Insurance on vessels of 50 displacement tons or less are subject to the requirements of AS 21.33 (unauthorized insurers) and AS 21.34 (surplus lines insurance).
- H. NAMGIC and IWMSF have also solicited snowmobile or snow machine insurance in Alaska. Snowmobiles and snow machines are land vehicles under AS 21.12.070 and are subject to vehicle registration under AS 28.39.010. Insurance for them may only be offered by an admitted or a surplus lines company authorized under AS 21.34.

### Conclusions

1. NAMGIC and IWMSF have been transacting insurance in Alaska as defined in AS 21.90.900(23) and (41) and are subject to regulation by the division. An organization that is underwriting and issuing insurance is acting as an insurer as defined in AS 21.90.900(25) and needs to be authorized to do so under AS 21.09, or be an eligible surplus lines insurer under AS 21.34. In absence of this authority, the organization is acting as an unauthorized insurer and any person selling or acting as an administrator of the contracts on behalf of the organization is in violation of AS 21.27 and AS 21.33.037.
2. Under AS 21.34.900(9), "vessels of 50 displacement tons or less" are subject to the requirements of AS 21.34. NAMGIC and IWMSF are in violation of AS 21.34 for issuing and underwriting insurance on fishing vessels without authorization under AS 21.09 or as allowed under AS 21.34.
3. NAMGIC and IWMSF are in violation of AS 21.34 for soliciting insurance on snowmobiles and snow machines without authorization.

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

North American Marine General Insurance Company, Ltd., Gerald Beaudoin, and International Water Marine Safety Foundation are hereby ordered to cease and desist from further transacting the business of insurance in the State of Alaska. Continued transaction of insurance by NAMGIC, Mr. Beaudoin, or IMWSF in Alaska will be considered a wilful violation and subject to appropriate action under the insurance code. Further, a violation of the insurance code is considered a fraudulent insurance act under AS 21.36.360(p)(1), which may be prosecuted as a class B misdemeanor under AS 21.36.360(q).

This order is effective immediately.

Dated at Anchorage, Alaska this 6th day of May, 2004.

  
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Linda S. Hall  
Director