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

In the Matter of:)
)
INTERNATIONAL SURETIES, LTD. and)
CLARK P. FITZ-HUGH, Compliance Officer,)
)
Licensees.)
_____)

Case No. D 04-16

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and International Sureties, Ltd. (ISLtd) and Clark P. Fitz-Hugh (Mr. Fitz-Hugh), the licensees in this case, stipulate and agree to the following:

I. BACKGROUND

A. On or about February 18, 2004, the division received applications for the reinstatement of the non-resident firm and individual in a firm insurance producer licenses for ISLtd and Mr. Fitz-Hugh.

B. Each of the applications asks whether the individual or the firm has ever been involved in an administrative proceeding regarding any professional or occupational license. Each applicant answered "no" to that question.

C. By searching the database of the National Association of Insurance Commissioner's Regulatory Information Retrieval System, the division discovered that Nevada and Georgia had taken administrative action against ISLtd or Mr. Fitz-Hugh.

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DIVISION OF INSURANCE
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D. The Nevada action occurred on May 30, 1997. The ISLtd license had lapsed on April 22, 1997, but Mr. Fitz-Hugh's license did not lapse until January 30, 1998. Therefore, under AS 21.27.025, Mr. Fitz-Hugh was required to notify the division of this action within 30 days, which he failed to do.

E. The director has fully reviewed the files of ISLtd and Mr. Fitz-Hugh.

II. TERMS OF AGREEMENT

1. The division will reinstate ISLtd and Mr. Fitz-Hugh's licenses subject to the following conditions:

a. Within six months of the date the director signs the order approving this agreement, Mr. Fitz-Hugh will successfully complete a course in professional ethics in insurance that has been approved in advance by the director or her designee and provide proof of that completion to the division.

b. Mr. Fitz-Hugh agrees to pay a late fee of \$200 under 3 AAC 31.060(a)(2) for failing to timely notify the division of the Nevada administrative action.

c. ISLtd and Mr. Fitz-Hugh agree to pay a civil penalty under AS 21.27.440(a) in the amount of \$500, with \$250 suspended for their failure to report the Nevada and Georgia administrative actions on their recent license applications. The civil penalty and the late fee under paragraph 1b are payable at the time ISLtd and Mr. Fitz-Hugh are notified that the director has signed the order approving this agreement.

d. In the event ISLtd or Mr. Fitz-Hugh violates the insurance code or applicable regulations during the next two years, the suspended portion of the penalty referenced in paragraph 1c will be reinstated. ISLtd and Mr. Fitz-Hugh also will be subject to

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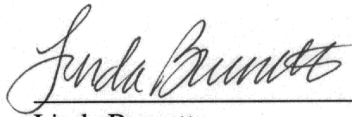
any and all sanctions authorized by the insurance code including imposition of additional fines or penalties.

2. By signing this agreement, ISLtd and Mr. Fitz-Hugh understand and agree that any failure to comply with the terms of this agreement may be grounds to revoke, further suspend, or non-renew Alaska insurance license numbers 9137 and 10166.

3. ISLtd and Mr. Fitz-Hugh understand that this agreement is not binding on the parties unless and until the director signs the order approving the agreement.

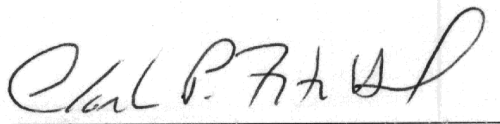
DATED: 9/3/04

DIVISION OF INSURANCE

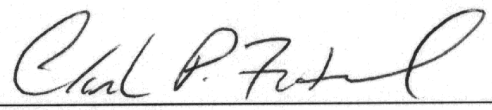
By: 
Linda Brunette
Program Coordinator

DATED: 8-24-04

INTERNATIONAL SURETIES, LTD

By: 
Clark P. Fitz-Hugh
President and Compliance Officer

DATED: 8-24-04


Clark P. Fitz-Hugh

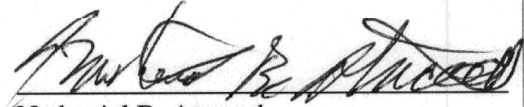
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Approved as to form and content:

DATED: 9/9/04

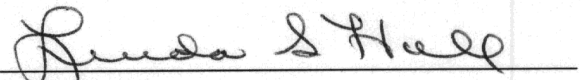
GREGG D. RENKES
ATTORNEY GENERAL

By: 
Nathaniel 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 9th day of September, 2004.


Linda S. Hall
Director