

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
550 WEST SEVENTH AVENUE, SUITE 1560
ANCHORAGE, ALASKA 99501-3567
PHONE: (907) 269-7900
FAX: (907) 269-7910
TDD: (907) 465-5437

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

In the Matter of:)
SAFECO FINANCIAL INSTITUTION)
SOLUTIONS, INC.,)
Licensee.)

Case No. D 06-01

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and Safeco Financial Institution Solutions, Inc. (Safeco), the licensee in this case, stipulate and agree that the failure to timely renew license #8702 and the unlicensed activity that occurred during the time the license was in lapse status is resolved as follows:

1. Safeco was first issued the above-referenced license in 1987. On March 21, 2003, the division notified Safeco that its insurance producer license had lapsed for failure to renew. R. Dale Yellin, the compliance officer at that time, was notified that his license would also lapse unless the firm license was reinstated. On May 1, 2003, the division received the firm's renewal application but additional information was needed, which the division requested on May 19. On May 20, 2003, Safeco asked for clarification regarding the information that was outstanding and the division responded the same day. The division notified Mr. Yellin on October 31, 2003 that his license had lapsed. The division has no record of receiving any further communication from Safeco until June 1, 2004.

1 2. The division reinstated licenses for Safeco and Mr. Yellin effective June
2 28, 2004. Mr. Yellin left Safeco December 31, 2004.

3 3. Safeco admits that, between March 21, 2003 and June 23, 2004, the firm
4 transacted the business of insurance, in violation of AS 21.27.380.

5 4. Prior to the occurrences referenced in this agreement, to the division's
6 knowledge, Safeco has not engaged in unlicensed activity or otherwise violated the insurance
7 code, and they now have an active Alaska insurance license.

8 5. Safeco agrees to pay a civil penalty under AS 21.27.440 of \$47,819.60,
9 which equals the amount of commission earned for the unlicensed activity that occurred
10 between March 21, 2003 and June 23, 2004, with \$36,819.60 suspended. The division will
11 reduce the unsuspended amount by \$1,000 as Safeco overpaid that sum to reinstate the lapsed
12 licenses. The remaining unsuspended portion of the penalty in the amount of \$10,000 is
13 payable within six months from the date Safeco is notified that the director has signed the order
14 approving this agreement.

15 6. In the event Safeco or its compliance officer violates the insurance code
16 or applicable regulations during the next two years, the suspended portion of the fine referenced
17 in paragraph 5 will be reinstated. Safeco and its compliance officer also will be subject to any
18 and all sanctions authorized by the insurance code including imposition of additional fines or
19 penalties.
20

21 7. By signing this agreement, Safeco understands and agrees that any failure
22 to comply with the conditions of this agreement will be grounds to revoke, suspend, or not
23 renew producer license #8702.
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1 8. Safeco and its compliance officer understand that this agreement is not
2 binding on the parties unless and until the director signs the order approving the agreement.
3

4 DATED: 3/28/06

DIVISION OF INSURANCE

6 By: Linda Brunette
7 Linda Brunette
8 Program Coordinator

9 DATED: 3/15/06

SAFECO FINANCIAL INSTITUTION
SOLUTIONS, INC.

11 By: Laurie J. Potter
12 Laurie J. Potter
13 Compliance Officer

14 Approved as to form and content:

15 DATED: 3/31/06

DAVID W. MARQUEZ
ATTORNEY GENERAL

17 By: Nathaniel B. Atwood
18 Nathaniel B. Atwood
19 Assistant Attorney General

20 ORDER

21 IT IS ORDERED that this Stipulated Agreement and Order is adopted in full
22 resolution of the issues in this case, and shall constitute the final order in this matter.

23 DATED this 1st day of April, 2006.

25 Linda S. Hall
26 Linda S. Hall
Director of Insurance