

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

In the Matter of: )  
 )  
WILLIS OF SEATTLE, INC., )  
 )  
Licensee. )  
\_\_\_\_\_ )

Case No. D 07-09

**STIPULATED AGREEMENT AND ORDER**

The Division of Insurance (division) and Willis of Seattle, Inc. (Willis), stipulate and agree to the following:

I. **BACKGROUND**

A. Willis has held Alaska firm insurance producer and surplus lines broker license number 7841 since December 1950.

B. Willis placed USL&H coverage for a client in the surplus lines market for the policy years 2005 and 2006. A marketing assistant employed by Willis communicated with the division to obtain authorization for those policies but did not submit the documentation required under AS 21.34.030 to place the insurance with a nonadmitted insurer before the coverage was bound.

C. On March 23, 2005, the division reminded the Willis employee to make the submission **before** renewal to comply with AS 21.34.030. In 2006, it was not until March 3rd that Willis applied for the required exception for its client's policy with a renewal date of January 1, 2006. On May 9, 2006, the division again admonished the Willis employee

1 regarding the untimely request. Willis was warned of potential penalties for violating the  
2 surplus lines requirements in the Alaska insurance code, advised that a future violation of this  
3 type would be considered wilful, and encouraged to make future submissions early enough to  
4 obtain approval of an exception before the renewal date.

5 D. For the 2007 policy renewal, although an exception request was initiated  
6 on November 27, 2006, Willis did not submit the necessary material until late January, after the  
7 policy became effective on January 1, 2007. Willis also did not request an exception under  
8 AS 21.34.020 to export coverage when an admitted market was available.

9 E. By their inaction, Willis has violated AS 21.34.020 and 21.34.030.

10 II. TERMS OF AGREEMENT

11 1. Willis agrees to pay civil penalties under AS 21.34.230(a) as follows:

12 a) for violating AS 21.34.030, \$11,374.86, which equals the amount of  
13 commission earned on the 2007 policy;

14 b) for wilful violation of AS 21.34.030, \$20,000 with \$10,000  
15 suspended;

16 c) for a violation of AS 21.34.020, \$5,000 with \$4,000 suspended.

17 The unsuspended portion of the penalties is payable within six months from the date Willis is  
18 notified that the director has signed the order approving this agreement.

19 2. In the event Willis or a member of the firm violates the insurance code or  
20 applicable regulations during the next two years, the suspended portion of the penalties  
21 referenced in paragraph 1 will be reinstated. Willis also will be subject to any and all sanctions  
22 authorized by the insurance code including imposition of additional fines or penalties.  
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1 3. By signing this agreement, Willis understands and agrees that any failure  
2 to comply with the terms of this agreement may be grounds to revoke, suspend, or non-renew  
3 Alaska insurance license number 7841.

4 4. Willis understands that this agreement is not binding on the parties  
5 unless and until the director signs the order approving the agreement.  
6

7  
8 DATED: 1/17/08

DIVISION OF INSURANCE

9  
10 By: Linda Brunette  
11 Linda Brunette  
12 Program Coordinator

13  
14 DATED: 1/14/2008

WILLIS OF SEATTLE, INC.

15  
16 By: Janet L. Coombs  
17 Janet L. Coombs  
18 Compliance Officer

19 Approved as to form and content:

20  
21 DATED: 1/25/08

TALIS J. COLBERG  
ATTORNEY GENERAL

22  
23  
24 By: Nathaniel B. Atwood  
25 Nathaniel B. Atwood  
26 Assistant Attorney General

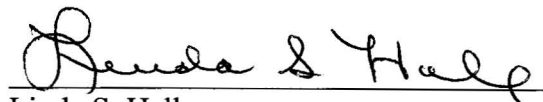
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ORDER

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 28<sup>th</sup> day of JANUARY, 2008.



Linda S. Hall  
Director of Insurance