

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

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

In the Matter of:)
ACA INSURANCE COMPANY)
Insurer.)

Case, No. D 08-06

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and ACA Insurance Company (ACA), the insurer in this case, stipulate and agree to the following:

I. BACKGROUND

- A. The division issued ACA certificate of authority #8539 as a property/casualty insurer on or about April 3, 1998.
- B. As of April 22, 2008, ACA filed a Plan of Redomestication to Indiana. The division has not yet approved the redomestication as required under AS 21.69.645(b).
- C. On or about July 31, 2008, the division sent Financial Examination Report and Order FE 07-02 to ACA. The report listed seven findings and recommendations of actions that should occur to ensure that ACA fully complies with Alaska insurance law.
- D. Finding 3 of the report addressed documentation to support premium collections. The company did not provide complete and accurate documentation to support premium collection for 32 policies out of 60 policies. The finding referenced violations of AS 21.69.390, 3 AAC 21.460, and 3 AAC 21.470, which subjects ACA to civil penalties under AS 21.90.020.

1 II. TERMS OF AGREEMENT

2 1. ACA agrees to pay a civil penalty under AS 21.90.020 in the amount of
3 \$80,000, which equals \$2,500 per violation for the 32 violations referenced above, with
4 \$60,000 suspended. The unsuspended penalty is payable within three months of the date that
5 ACA is notified that the director has signed the order approving this agreement.
6

7 2. In the event ACA violates the insurance code or applicable regulations
8 during the next two years, the suspended portion of the penalty referenced in paragraph 1 will
9 be reinstated. ACA also will be subject to any and all sanctions authorized by the insurance
10 code including imposition of additional fines or penalties.

11 3. By signing this agreement, ACA understands and agrees that any failure
12 to comply with the terms of this agreement may be grounds to revoke, suspend, or non-renew
13 Alaska certificate of authority #8539.

14 4. ACA understands that this agreement is not binding on the parties unless
15 and until the director signs the order approving the agreement.
16

17 DATED: 1-12-09

DIVISION OF INSURANCE

18
19 By: Gloria G. Glover
Gloria G. Glover
Chief Financial Examiner

20
21
22 DATED: 1/5/09

ACA INSURANCE COMPANY

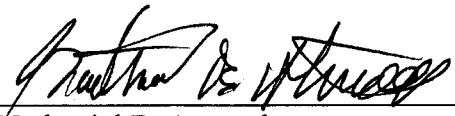
23
24 By: Paula F. Downey
Paula F. Downey
President
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Approved as to form and content:

DATED: 1/15/09


TALIS J. COLBERG
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 19th day of January, 2009.


Linda S. Hall
Director

I hereby certify that a copy of the document(s) listed below was distributed to the below-listed parties and files by mail or by personal delivery. The original document has been forwarded to the Juneau office of the Division of Insurance for official filing.

Stipulated Agreement and Order, signed by the Director of Insurance on January 19, 2009, in Case No. D 08-06, In the Matter of ACA Insurance Company, Insurer.

Nathaniel B. Atwood
Assistant Attorney General
Department of Law

Gloria G. Glover
Chief Financial Examiner
Division of Insurance

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Maxine Froemling
Examiner-in-Charge
Division of Insurance

Dated: January 20, 2009 in Anchorage, Alaska.



Barbara Karl