

STATE OF ALASKA

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

In the Matter of:	}
BURNS & WILCOX, LTD.,	, ,
Licensee.	,

Case No. D 09-05

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and Burns & Wilcox, Ltd. (B & W) stipulate and agree to the following:

- i. B & W has held Alaska firm insurance producer license number 18812 since April 1999. Alan Jay Kaufman has been the surplus lines compliance officer for the firm since June 2005, and is responsible for the firm and all of its employees being in compliance with the Alaska insurance code.
- 2. On or about August 4, 2008, the division received a 2007 annual surplus lines broker premium tax report for Burns & Wilcox, Ltd., signed by Edmund J. Holub, Jr. Although he was the branch manager of the firm's Denver, Colorado branch, Mr. Holub did not hold an Alaska surplus lines broker license at that time. After a series of communications regarding the surplus lines transactions, Mr. Holub applied for and was issued a surplus lines broker license effective November 17, 2008.
- 3. As required by the division, Mr. Holub submitted a notarized statement regarding the surplus lines business that occurred before he received that authority. The

statement indicated that unlicensed surplus lines activity had occurred between June 27, 2007 and November 13, 2008. Not only did Mr. Holub earn commission, but the B & W also earned commission on these unlicensed transactions.

- 4. B & W agrees to pay a civil penalty under AS 21.27.440(a) of \$11,797.09, which equals the amount of commission earned for the unlicensed activity that occurred between June 27, 2007 and November 13, 2008, with \$5,797.09 suspended. The unsuspended portion of the penalty is payable at the time B & W is notified that the director has signed the order approving this agreement.
- 5. In the event B & W or Mr. Kaufman violates the insurance code or applicable regulations during the next two years, the suspended portion of the fine referenced in paragraph 4 will be reinstated. B & W and Mr. Kaufman also will be subject to any and all sanctions authorized by the insurance code including imposition of additional fines or penalties.
- 6. By signing this agreement, B & W and Mr. Kaufman understand and agree that any failure to comply with the terms of this agreement may be grounds to revoke, suspend, or non-renew Alaska insurance license #18812.
- 7. B & W and Mr. Kaufman understands that this agreement is not binding on the parties unless and until the director signs the order approving the agreement.

DATED: 6.9.9

DIVISION OF INSURANCE

By:

Linda Brunette

Program Coordinator

AND ECONOMIC DEVELOPMENT

DEPARTMENT OF COMMERCI