

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

In the Matter of:)
)
PARKER, SMITH & FEEK, INC.)
)
Licensee)
_____)

Case No. D 15-04

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and Parker, Smith & Feek, Inc. (PSF), the licensee in this case, stipulate and agree to the following:

I. BACKGROUND

A. PSF holds surplus lines broker and firm insurance producer license number 7868.

B. Under AS 21.06.130, the division performed a limited and targeted premium tax audit of PSF's surplus lines business for the years January 1, 2012 through December 31, 2013. The audit was completed and a report and order approving the report were issued on January 12, 2015 under TA 14-02. Both were sent to PSF on January 12, 2015.

C. Under five findings in the audit report, 43 violations of AS 21.34 were identified that are within the control of PSF to correct in order to comply with Alaska insurance laws.

D. The violations of AS 21.34 subject PSF to civil penalties under AS 21.34.230.

E. Under three of the findings in the audit report, 14 violations of AS 21.34 had been addressed in prior audits. These were one late tax/fee payment, six diligent search documents created after binding, and seven files with disclosure issues.

D 15-04
Parker, Smith & Feek, Inc.

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
NINTH FLOOR STATE OFFICE BUILDING
333 WILLOUGHBY AVENUE
JUNEAU, ALASKA 99801
PHONE: (907) 465-2515 • FAX: (907) 465-3422
IF YOU NEED HEARING ASSISTANCE, PLEASE CALL ALASKA RELAY AT 711

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F. Due to these 14 violations having occurred within two calendar years after the Stipulated Agreement and Order D 11-15 entered into between the division and PSF was signed, the previously suspended civil penalty of \$35,000 in that Stipulated Agreement and Order is now subject to reinstatement.

II. TERMS OF AGREEMENT

1. The division agrees that the next audit performed on PSF related hereto will exclude any quarter before July 1, 2015.

2. For the TA 14-02 audit violations, PSF agrees to pay a civil penalty under AS 21.34.230 in the amount of \$30,000 with \$15,000 suspended. The unsuspended penalty of \$15,000 is payable within three months from the time PSF is notified that the director has signed the order approving this agreement.

3. In the event PSF is found to have violated the Alaska insurance laws during the next audit, the suspended portion of the penalty referenced in paragraph 2 will be reinstated. PSF also will be subject to any and all sanctions authorized by the insurance laws including imposing additional penalties.

4. PSF understands and agrees that if the same violations noted in paragraph E are noted in the next audit and a procedure test for these violations fails with an error rate of ten percent or higher, the division will consider such violations to be willful under AS 21.34.230.

5. For the reinstated penalties under the Stipulated Agreement and Order D 11-15, PSF agrees to pay \$35,000 within three months from the time PSF is notified that the director has signed the order approving this agreement.

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6. By signing this agreement, PSF understands and agrees that any failure to comply with the terms of this agreement may be grounds to revoke, suspend, or non-renew Alaska surplus lines broker and firm insurance producer license number 7868.

7. PSF understands that this agreement is not binding on the parties unless and until the director signs the order approving the agreement.

DATED: 4/23/15

DIVISION OF INSURANCE

By: Rebecca Nesheim
Rebecca Nesheim
Tax Auditor

DATED: 4/10/15

PARKER, SMITH & FEEK, INC.

By: Jana Smith
Jana Smith
Principal, Vice President

Approved as to form and content:

DATED: 5/4/15

CRAIG W. RICHARDS
ATTORNEY GENERAL

By: Daniel Wilkerson
Daniel Wilkerson
Assistant Attorney General

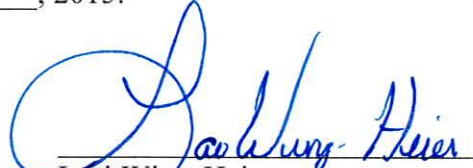
ORDER

IT IS ORDERED that this Stipulated Agreement and Order is adopted in full

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resolution of the issues in this case, and shall constitute the final order in this matter.

DATED this 15th day of June, 2015.



Lori Wing-Heier
Director

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