



ORDER NUMBER R 13-02

May 3, 2013

ORDER REFUSING DEMAND FOR HEARING

Background:

On April 24, 2013, Bret S. Kolb, Director of the Division of Insurance, received by electronic mail a request for a hearing regarding a fine for late notification of an administrative action from Thomas A. Nix. Attached to the e-mail were documents regarding the administrative action.

The Director of the Division of Insurance finds:

1. Although the e-mail that Mr. Nix submitted to Director Kolb on April 24 does not use the term "demand" as referenced in AS 21.06.180(b), his request for a hearing does state the reason why Mr. Nix is requesting a hearing. Rather than prolonging the process by requesting Mr. Nix to submit a more formal demand for hearing specifying the grounds to be relied upon, Mr. Nix's April 24th submission will be viewed as adequate under AS 21.06.180(b) and action will be taken as provided AS 21.06.180(c).
2. Mr. Nix has held insurance licenses in various states for some time, (Massachusetts – 1987, Connecticut – 1995, California – 1999, among other states) and, therefore, should be familiar with the statutory requirements for holding such a license. On December 15, 2011, Mr. Nix first applied for an Alaska insurance producer license for property/casualty authority. He was issued license number 99656 effective December 15, 2011. This license lapsed for failure to renew on July 19, 2012.
3. By letter dated December 8, 2011, sent by certified mail, return receipt requested, to Mr. Nix at his residence address, the State of Wisconsin, Consumer Protection Investigator Richard West notified Mr. Nix of the denial of his license application. Mr. Nix was provided 30 days from the date of the letter to contest the denial by written petition for a hearing. The first page of this letter indicates that this case was closed on 01/09/2012, which means that Mr. Nix did not contest the action. The last paragraph of the letter states:

This license denial is an administrative action and will be reported to other states. You should check with each state that you are licensed in to see if you are required to report this administrative action. This administrative action should be disclosed on future applications.

4. On or about February 15, 2013, Mr. Nix submitted an electronic application to reinstate his Alaska license, this time for life authority. As part of his reinstatement application, Mr. Nix reported the administrative action described in paragraph 3. He also provided a copy of the letter from Wisconsin referenced in paragraph 3. This notification was given over a year after the action was taken by Wisconsin. When the Wisconsin action occurred, Mr. Nix was licensed and in good standing in Alaska and, as such, was required to comply with the Alaska insurance code. Mr. Nix also reported that administrative action had been taken against him by the State of Connecticut although he did not provide specific dates of the Connecticut action.

5. Under AS 21.27.025(a), a licensee is required to report to the director in writing any administrative action taken against the licensee by a governmental agency of another state within 30 days after the final disposition of the action. AS 21.27.025(b) states: "In addition to any other penalty provided by law, a failure to notify the director as required by this section is cause for denial, nonrenewal, suspension, or revocation of a license." 3 AAC 30.060 establishes fees required when a licensee fails to notify the director of information required under AS 21.27.025 and within the time period required by AS 21.27.025. For notification received more than 120 days late, the fee is \$200.

6. This order is issued pursuant to AS 21.06.180(c), which provides for the director to either grant or refuse a demand for hearing.

The Director of Insurance Hereby Orders:

Under AS 21.06.180(c), the written demand for hearing by Thomas A. Nix, dated April 24, 2013 is hereby refused. The late fee of \$200 referenced in paragraph 5 above is still due to the division. Mr. Nix's Alaska producer insurance license will not be reinstated until payment of the late fee is received.

Pursuant to AS 21.06.230 and Alaska Appellate Rule 602(a)(2), Mr. Nix may appeal this final decision within 30 days. See the attached Notice of Final Order and Appeal Rights.

This order is effective May 3, 2013.



Bret S. Kolb
Director of Insurance