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STATE OF ALASKA

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

In the Matter of:)
)
)
Risk Placement Services Inc)
)
Licensee)
)
_____)

Case No. D 23-04

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and Risk Placement Services Inc, (Risk Placement), the licensee in this case, stipulate and agree to the following:

I. BACKGROUND

A. Risk Placement holds surplus lines broker license number 27619.

B. Under AS 21.06.120, the division performed a limited and targeted premium tax audit of Risk Placement’s surplus lines business for the period January 1, 2020, through December 31, 2021. The audit was completed and a report and order approving the report were issued on May 9, 2023, under TA 22-01. Both were sent to Risk Placement on May 9, 2023.

C. Under seven failed findings in the audit report, 152 violations of AS 21.34 were identified as being within the control of Risk Placement to correct in order to comply with Alaska insurance laws.

D. These 152 violations of AS 21.34 subjects Risk Placement to civil penalties under AS 21.34.230.

II. TERMS OF AGREEMENT

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1. The division agrees that the next audit performed on Risk Placement related hereto will exclude any quarter ending before January 1, 2024.
2. For TA 22-01 audit violations, Risk Placement agrees to pay a civil penalty under AS 21.34.230 in the amount of \$70,000 with \$35,000 suspended. The unsuspended penalty of \$35,000 is payable within three months of the date that Risk Placement is notified that the director has signed the order approving this agreement.
3. In the event Risk Placement is found to have violated the Alaska insurance laws during the next audit resulting in failed findings, the suspended portion of the penalty referenced in paragraph 2 will be reinstated. Risk Placement also will be subject to any and all sanctions authorized by the insurance laws including imposing additional penalties.
4. By signing this agreement, Risk Placement 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 license number 27619.
5. Risk Placement understands that this agreement is not binding on the parties unless and until the director signs the order approving this agreement.

DATED: 6/14/2023

DIVISION OF INSURANCE
By: Rebecca Nesheim
Rebecca Nesheim
Tax Auditor

DATED: JUNE 13, 2023

RISK PLACEMENT SERVICES INC
By: Joel David Cavaness
Joel David Cavaness
Compliance Officer
PRESIDENT

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DATED: 06/14/23

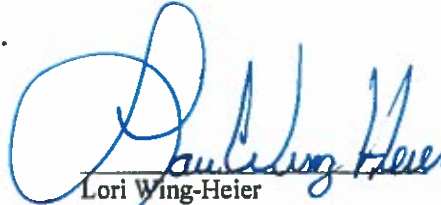
TREG R. TAYLOR
ATTORNEY GENERAL

By: Daniel Wilkerson
Daniel Wilkerson
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 20th day of June, 2023.


Lori Wing-Heier
Director