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RETURN RECEIPT REQUESTED

STATE OF ALASKA

DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC
DEVELOPMENT

DIVISION OF INSURANCE

550 W. 7th AVENUE, SUITE 1560

ANCHORAGE, ALASKA 99501-3567

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STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC
DEVELOPMENT
DIVISION OF INSURANCE
550 W. 7th AVENUE SUITE 1560
ANCHORAGE, ALASKA 99513-3567
PHONE: (907) 269-7900

In the Matter of:

SEA MOUNTAIN INSURANCE BROKERS
NPN# 687223

Division of Insurance Case No. SR23-16

STIPULATED AGREEMENT AND ORDER

The State of Alaska Department of Commerce, Community, and Economic
Development, Division of Insurance (Division), **SEA MOUNTAIN INSURANCE BROKERS**
(**SEA MOUNTAIN**) the producer in this case, stipulate and agree to the following:

I. **BACKGROUND**

A. On July 3rd, 1989, **SEA MOUNTAIN** received their initial Insurance Producer
license with Life, Health, Casualty, and Property lines of authority, firm license
number 9189, authorizing **SEA MOUNTAIN** to transact insurance business in
Alaska. This license expires in July of odd numbered years.

SEA MOUNTAIN INSURANCE BROKERS
Stipulated Agreement and Order
SR23-16

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- B. On April 1st, 2021, May 5th, 2021, and June 3rd, 2021, renewal notice was provided to **SEA MOUNTAIN** informing that the insurance producer license would expire at midnight on July 3rd, 2021, if a renewal application was not received by the Division. **SEA MOUNTAIN** failed to timely renew the insurance producer license.
- C. On July 2nd, 2021, expiration notice was provided to **SEA MOUNTAIN** informing that the license would expire for failure to renew effective midnight July 3rd, 2021.
- D. On July 9th, 2021, **SEA MOUNTAIN** applied to reinstate the insurance producer license.
- E. On July 13th, 2021, correspondence was provided to **SEA MOUNTAIN** indicating its reinstatement filing is incomplete and a Business Transaction Form (BTF) is required.
- F. **SEA MOUNTAIN** provided a BTF indicating 2 policies between July 5th, 2021, and July 14th, 2021, were sold without a valid license in the State of Alaska. These policies totaled \$1,261.34 in commissions received without a valid license.
- G. On July 14th, 2021, a notice was issued to **SEA MOUNTAIN** reinstating the license and informed **SEA MOUNTAIN** that the Division will access civil penalties for transacting insurance business without a valid license.
- H. On August 2nd, 2021, a proposed agreement letter was issued to **SEA MOUNTAIN** assessing a civil penalty in the amount of \$1,261.34 with \$630.67 suspended. The unsuspended penalty of \$630.67 is payable to the Division.

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- I. On August 4th, 2021, **SEA MOUNTAIN** and the Division entered into a Stipulated Agreement and Order Number D21-04. On the same day **SEA MOUNTAIN** paid the unsuspended penalty of \$630.37.
- J. On October 21st, 2022, in a routine review of licensed activity it was discovered that **SEA MOUNTAIN** issued additional 7 policies between July 3rd, 2021, and July 6th, 2021, which were not reported on the BTF used to reinstate the license. These 7 additional policies totaled \$11,280.45 in commissions received without a valid license.
- K. On July 29th, 2023, a proposed agreement letter was issued to **SEA MOUNTAIN** assessing a civil penalty in the amount of \$11,280.45 with \$5,640.22 suspended. The unsuspended penalty of \$5,640.22 is payable to the Division.
- L. In the same proposed agreement, the Division reinstates the suspended penalty as agreed under D21-04 in the amount of \$630.67 and is payable to the Division in violation of Alaska insurance laws within the two years.

II. TERMS OF AGREEMENT

- A. Between July 5th, 2021, and July 14th, 2021, nine (9) total policies were transacted prior to the license reinstatement date of July 14th, 2021, and were in violation of Alaska Statute (AS) 21.27.010 which subjects **SEA MOUNTAIN** to civil penalties. AS 21.27.440(a) provides that "in addition to any other penalties provided by law, a person that the director determines under AS 21.06.170-21.06.240 has violated the provisions of this chapter is subject to (1) a civil penalty equal to the compensation promised, paid, or to be paid, directly or

1 indirectly, to a person in regard to each violation; (2) either a civil penalty of not
2 more than \$10,000 for each violation or a civil penalty of not more than \$25,000
3 for each violation if the director determines that the person willfully violated the
4 provisions of this chapter; and (3) denial, nonrenewal, suspension, or revocation
5 of a license.” The director has the latitude to impose civil penalties against a
6 person who has violated Alaska’s insurance laws.
7

8 **B. SEA MOUNTAIN** agrees to pay the reinstated suspended civil penalty under AS
9 21.27.440 in the amount of \$630.67 under D21-04. The suspended amount is due
10 to the Division immediately.
11

12 **C. SEA MOUNTAIN** further agrees to pay the civil penalty in the amount of
13 \$11,280.45 for activity that occurred prior to the issuance of the firm license with
14 \$5,640.22 suspended. The unsuspended portion of \$5,640.22 must be received by
15 the Division within 30 days of the signature finalizing this agreement.
16

17 **D. In the event SEA MOUNTAIN** is found to have violations of the Alaska
18 insurance laws during the next two years, the suspended portion of the penalty of
19 \$5,640.22 referenced in section II. C. will be reinstated. **SEA MOUNTAIN** also
20 will be subject to any and all sanctions authorized by the insurance laws including
21 imposition of additional penalties regarding any such violation.
22

23 **E. By signing this agreement, SEA MOUNTAIN** understands and agrees that any
24 failure to comply with the terms of this agreement will be grounds to revoke,
25 suspend, or non-renew Alaska firm license number 9189.
26

27 **F. SEA MOUNTAIN** understands that this agreement is not binding on the parties
28 unless and until the director signs the order approving the agreement.
29

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