



OFFICE OF  
INSURANCE COMMISSIONER

HEARINGS UNIT  
Fax: (360) 664-2782

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FILED

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BEFORE THE STATE OF WASHINGTON  
OFFICE OF INSURANCE COMMISSIONER

In the Matter of:	)	No. 12-0052
	)	
STA TRAVEL, INC.,	)	FINAL ORDER TERMINATING
	)	PROCEEDINGS
Licensee.	)	
_____	)	

**TO:** Nick Bettinger, Counsel for STA Travel, Inc.  
McDonald Sanders  
777 Main Street, Suite 1300  
Fort Worth, TX 76102

**COPY TO:** Timothy J. Parker, Esq.  
Carney Badley Spellman  
701 Fifth Avenue, Suite 3600  
Seattle, WA 98104-7010

**AND TO:** Mike Kreidler, Insurance Commissioner  
Michael G. Watson, Chief Deputy Insurance Commissioner  
Carol Surcau, Deputy Commissioner, Legal Affairs Division  
Charles D. Brown, Staff Attorney, Legal Affairs Division  
Marcia Stickler, Staff Attorney, Legal Affairs Division  
John F. Hamje, Deputy Commissioner, Consumer Protection Division  
Office of the Insurance Commissioner  
PO Box 40255  
Olympia, WA 98504-0255

On August 17, 2012, the Insurance Commissioner ("OIC") filed a Notice of Hearing with the undersigned seeking imposition of a fine against STA Travel, Inc.



ORDER TERMINATING PROCEEDINGS

No. 12-0052

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("STA Travel") in an amount to be determined at hearing for alleged violations of the Insurance Code. Specifically, the OIC alleged that from 2005 to 2011, STA Travel, a Texas-based travel agency specializing in college student travel, which has also held a Washington producer license to sell travel insurance, (1) sold 7,570 travel insurance policies in Washington between September 2005 and July 2011, with a gross premium of \$701,269.96, when its license to sell these policies was expired, in violation of RCW 48.17.060; and (2) employed 36 staff members who actively sold 2,487 travel insurance policies with a gross premium of \$242,061.10, but who had never held a license to sell them, in violation of RCW 48.17.530(1)(i).

Shortly after the OIC Notice of Hearing was filed, the parties advised the undersigned that they were in the process of negotiating a settlement in this matter and therefore no prehearing conference was scheduled.

On October 29, 2012, a copy of Consent Order Levying a Fine, No. 12-0052, was filed with the undersigned, it being executed by STA Travel and the OIC on October 12 and October 29, respectively. The Consent Order Levying a Fine, No. 12-0052, which documents the parties' settlement of this matter, is attached hereto and is by this reference incorporated herein.

Relative to the Consent Order, it is noted that this case was settled prior to a hearing. Therefore, for purposes of clarification, while this Consent Order includes statements identified as "Findings of Fact" and "Conclusions of Law," these are not Findings of Fact or Conclusions of Law which were made by an adjudicator after an adjudicative proceeding; rather, the statements contained in the attached Consent Order which are entitled "Findings of Fact" and "Conclusions of Law" are only statements agreed upon between the parties privately, without involvement of a finder of fact or adjudicator.

Based upon the above activity,

**IT IS HEREBY ORDERED** that, by virtue of Consent Order Levying a Fine, No. 12-0052, executed by STA Travel and the OIC on October 12, 2012 and October 29, 2012, respectively, this matter has been fully settled with STA Travel agreeing to the imposition of a fine of \$115,000 among other terms and agreements included therein. For purposes of clarification, while said Consent Order includes statements identified as "Findings of Fact" and "Conclusions of Law," these are not Findings of Fact or Conclusions of Law which were made by an adjudicator after an adjudicative proceeding; rather, the statements contained in the attached Consent Order entitled "Findings of Fact" and "Conclusions of Law" are only statements agreed upon between the parties privately, without involvement of a finder of fact or adjudicator.

**IT IS FURTHER ORDERED** that, by agreement of the parties, this proceeding, Docket No. 12-0052, is hereby dismissed with prejudice.

ORDER TERMINATING PROCEEDINGS

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Entered this 5<sup>th</sup> day of November, 2012, at Tumwater, Washington, pursuant to Title 48 RCW, Title 34 RCW and regulations pursuant thereto.



PATRICIA D. PETERSEN

Chief Presiding Officer

Attachment: Fully Executed Consent Order Levying a Fine, No. 12-0052

Declaration of Mailing

I declare under penalty of perjury under the laws of the State of Washington that on the date listed below, I mailed or caused delivery through normal office mailing custom, a true copy of this document to the following people at their addresses listed above: Nick Bettinger, Esq., Timothy J. Parker, Esq., Mike Kreidler, Mike Watson, John F. Hamje, Carol Sureau, Esq. and Marcia G. Stickler, Esq..

DATED this 6<sup>th</sup> day of November, 2012.

  
KELLY A. CAIRNS

MIKE KREIDLER  
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON



OFFICE OF  
INSURANCE COMMISSIONER

Phone: (360) 725-7000  
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FILED  
Oct 29 2012  
KAL

Patricia A. Peterson  
Chief Hearing Officer

000510533 10/25/12 115,000.00 ✓

IN THE MATTER OF  
STA TRAVEL, INC.,

Respondent.

ORDER NO. 12-0052

CONSENT ORDER  
LEVYING A FINE

The Insurance Commissioner of the State of Washington, pursuant to the authority set forth in RCW 48.17.560, having reviewed the official records and files of the Office of the Insurance Commissioner ("OIC"), makes the following:

**FINDINGS OF FACT:**

1. STA Travel, Inc. ("STA") is a Texas-based producer of travel insurance that was first licensed as an insurance agent in Washington on September 18, 2003. STA is a travel agency that has 16 retail locations in the United States and specializes in international college student travel.

2. STA sells travel insurance as part of its travel services. Although STA's office manager was a licensed producer, STA was unaware of the state requirement that a producer's license was required for all staff who worked under the office manager and sold travel insurance policies. Between 2005 and 2011, the unlicensed staff sold travel insurance policies in Washington.

**CONCLUSIONS OF LAW:**

1. By soliciting travel insurance without being licensed as an insurance producer, STA violated RCW 48.17.060.

2. By accepting insurance business from unlicensed employees who were required to be licensed under RCW Title 48, STA violated RCW 48.17.530.

3. RCW 48.17.063(4)(a)(iii) states that if the Commissioner has cause to believe that any person has violated the provisions of RCW 48.17.060, the commissioner may assess a civil penalty of not more than \$25,000 (Twenty Five Thousand Dollars) for each violation, after providing notice and an opportunity for a hearing in accordance with Chapters 34.05 and 48.04 RCW.

4. Pursuant to RCW 48.17.560, the Commissioner may impose a fine of not more than \$1,000 (One Thousand Dollars) for each violation of the insurance code in addition to or in lieu of revocation, suspension, or refusal to renew a producer's license.

**CONSENT TO ORDER:**

STA, acknowledging its duty to comply fully with the applicable laws of the State of Washington, consents to the following in consideration of its desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle the matter in consideration of STA's payment of a fine on such terms and conditions as are set forth below.

1. STA consents to the entry of this Order, waives any and all hearing rights, and further administrative or judicial challenges to this Order.

2. By agreement of the parties, the Insurance Commissioner will impose a fine of \$115,000.00 (One Hundred Fifteen Thousand Dollars) to be paid by STA within thirty days of the date of the entry of this Order.

3. STA understands and agrees that any future failure to comply with the statutes that are the subject of this Order constitutes grounds for further penalties, which may be imposed in response to further violations.

4. STA's failure to timely pay this fine and to adhere to the conditions shall constitute grounds for revocation of its producer license and shall result in the recovery of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

EXECUTED this 12 day of October, 2012.

STA TRAVEL, INC

Signature: \_\_\_\_\_

Printed Name: KEVIN JACOBS

Corporate Title: PRESIDENT

**ORDER**

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner hereby Orders as follows:

1. STA shall pay a fine in the amount of \$115,000.00 (One Hundred Fifteen Thousand Dollars) within thirty days of the date of the entry of this Order.

2. STA's failure to pay the fine within the time limit set forth above shall result in the revocation of its producer license and in the recovery of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

ENTERED AT TUMWATER, WASHINGTON, this 29<sup>th</sup> day of October, 2012.

MIKE KREIDLER  
Insurance Commissioner

By Charles D. Brown  
~~Marcia G. Stickler~~ Charles D. Brown  
Legal Affairs Division