

**NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA**

**STATE OF NORTH CAROLINA
COUNTY OF WAKE**

**BEFORE THE COMMISSIONER
OF INSURANCE**

**IN THE MATTER OF THE LICENSURE
OF APPALACHIAN UNDERWRITERS, INC.**

**VOLUNTARY SETTLEMENT
AGREEMENT**

NPN 3893743

NOW COME Appalachian Underwriters, Inc. (hereinafter "Appalachian Underwriters") and the North Carolina Department of Insurance (hereinafter "The Department"), and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter Athis Agreement@):

WHEREAS, the Department has the authority and responsibility for enforcement of the insurance laws of this State, and for regulating and licensing insurance business entities; and

WHEREAS, Appalachian Underwriters holds a non-resident business entity license issued by the Department on or about June 2004; and

WHEREAS, Appalachian Underwriters failed to timely report to the Department a March 2012 administrative action with monetary penalty by the New York department of insurance for providing materially incorrect and untrue information on his renewal application for an agent's license; and

WHEREAS, Appalachian Underwriters failed to timely report to the Department a March 2011 administrative action with monetary penalty by the Texas department of insurance for failure to return unearned premiums; and

WHEREAS, Appalachian Underwriters' failure to notify the Department of the March 2012 New York administrative action within thirty (30) days is a violation of N.C.G.S. § 58-33-32(k); and

WHEREAS, Appalachian Underwriters' failure to notify the Department of the March 2011 Texas administrative action within thirty (30) days is a violation of N.C.G.S. § 58-33-32(k); and

WHEREAS, Appalachian Underwriters' violation of N.C.G.S. § 58-33-32(k) is a violation of the insurance laws for which its license may be revoked pursuant to N.C.G.S. § 58-33-46(a)(2); and

WHEREAS, Appalachian Underwriters has agreed to settle, compromise, and resolve the matters referenced in this Agreement, and the Department has agreed not to pursue additional penalties, sanctions, remedies, or restitution based on these matters against Appalachian Underwriters; and

WHEREAS, pursuant to N.C.G.S. § 58-2-70(g), the Commissioner of Insurance and the Department have the express authority to negotiate a mutually acceptable agreement with any person as to the status of the person's license or certificate or as to any civil penalty or restitution; and

WHEREAS, the parties to this Agreement mutually wish to resolve this matter by consent before the Department initiates an administrative hearing concerning this matter; and

WHEREAS, the parties to this Agreement have reached a mutually agreeable resolution of this matter as set out in this Agreement;

NOW, THEREFORE, in exchange for, and in consideration of the promises and agreements set out herein, the Department and Appalachian Underwriters hereby agree to the following:

1. Immediately upon his signing of this document, Appalachian Underwriters shall pay a civil penalty of **Five Hundred Dollars (\$500.00)** to the Department. The form of payment shall be in a certified check, cashiers check or money order. The check or money order for the payment of this civil penalty shall be payable to the "North Carolina Department of Insurance". Appalachian Underwriters shall send the civil penalty by certified mail, return receipt requested, to the Department simultaneously with the return of this Agreement, signed by Appalachian Underwriters. **The civil penalty and the signed Agreement must be received by the Department no later than November 22, 2013.** The civil penalty shall be subject to disbursement in accordance with the provisions of Article IX, Section 7 of the North Carolina Constitution for the benefit of public schools.
2. Appalachian Underwriters enters into this Agreement freely and voluntarily and with knowledge of his right to have an administrative hearing on this matter. Appalachian Underwriters understands that he may consult with an attorney prior to entering into this Agreement.
3. This Agreement does not in any way affect the Department's disciplinary power in any future examinations of Appalachian Underwriters or in any other complaints involving Appalachian Underwriters.
4. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Appalachian Underwriters understands that N.C.G.S. 58-33-

46(a)(2) provides that his licenses may be revoked for violating an Order of the Commissioner.

5. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.
6. This Agreement, when finalized, will be a public record and is not confidential. Any and all licenses issued by the Department to the licensee shall reflect that Regulatory Action has been taken against the licensees following the execution of this Agreement. The Department is free to disclose the contents of this Agreement with third parties upon request or pursuant to any law or policy providing for such disclosure. The Department routinely provides copies of voluntary settlement agreements to the NAIC and all companies that have appointed the licensee.
7. This Voluntary Settlement Agreement shall become effective when signed and attested to by Appalachian Underwriters and the Department.

This the 25th day of November 2013.

APPALACHIAN UNDERWRITERS, INC.

NORTH CAROLINA DEPARTMENT OF
INSURANCE



Robert J. Arowood, President

By: 

Angela Ford
Senior Deputy Commissioner