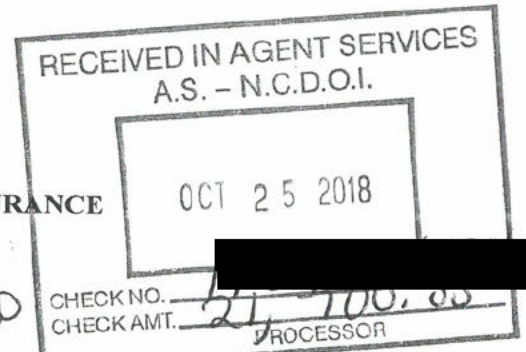


NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA



STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE COMMISSIONER
OF INSURANCE

IN THE MATTER OF
THE LICENSURE OF
ASSOCIATED RISK MANAGERS
FINANCE CO.

VOLUNTARY SETTLEMENT
AGREEMENT

NOW COME, ASSOCIATED RISK MANAGERS FINANCE CO. (hereinafter "ARMFICO") and the North Carolina Department of Insurance (hereinafter "Department"), and hereby enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement").

WHEREAS, the Department has the authority and responsibility for the enforcement of the provisions of Chapter 58 of the General Statutes of North Carolina applicable to Premium Finance companies and premium finance business; and

WHEREAS, ARMFICO is a corporation organized and existing under the laws of the State of Illinois, and has previously been issued a permit by the Department to operate as a premium finance company in North Carolina; and

WHEREAS, N.C. Gen. Stat. Sec. 58-35-5 (a) provides that no person except an authorized insurer shall engage in the business of an insurance premium finance company without obtaining a license from the Commissioner of Insurance; and

WHEREAS, N.C. Gen. Stat. Sec. 58-35-15 (c) provides that each license issued shall remain in full force and effect until the last day of June, and may be renewed for the ensuing license year upon the filing of an application and conforming with G.S. 58-35-5; and

WHEREAS, ARMFICO applied for licensure for the license year 2018, which application was denied by the Department on March 21, 2018 because it appeared that ARMFICO was transferring contracts written by ARMFICO to an unlicensed premium finance company which was not permitted by North Carolina law; and

WHEREAS, during the processing and declination of ARMFICO's application for licensure, it was determined that ARMFICO, which was previously licensed by the Department, was doing the business of premium finance in North Carolina during license years 2015, 2016, 2017 and 2018 without being licensed; and

WHEREAS, ARMFICO failed to renew its license to do business as a premium finance company in North Carolina by June 30, 2015, and therefore was operating in North Carolina without an active license thereafter; and

WHEREAS, ARMFICO'S records indicated that 217 contracts were written during that period involving premiums amounting to \$1,849,329.43; and

WHEREAS, ARMFICO, continued to do business as premium finance company without a license in violation of N.C. Gen. Stat. Sec. 58-35-5 (a); and

WHEREAS, ARMFICO will be allowed to reinstate its authority back to July 1, 2018 by the Department upon payment of the fees and completion of the renewal process and execution of this Agreement and payment of the civil penalty assessed herein; and

WHEREAS, ARMFICO has acknowledged and admitted to the violations set forth herein; and

WHEREAS, pursuant to N.C. Gen. Stat. Sec. 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 have reached a mutually agreeable resolution of this matter as set out in this Agreement; and


NOW THEREFORE, in consideration of the promises and agreements set out herein, the Department and **ARMFICO** hereby agree to the following;


1. Immediately upon signing this agreement, **ARMFICO** shall pay a civil penalty of **\$21,700.00** to the Department. The form of payment shall be certified check, cashier's 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." **ARMFICO** shall remit the civil penalty by certified mail, return receipt requested, to the Department along with a copy of this signed agreement. The civil penalty and the signed Agreement must be received by the Department no later than **October 18, 2018**. 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. **ARMFICO** shall comply with all provisions of Chapter 58 of the General Statutes of North Carolina and Title 11 of the North Carolina Administrative Code that are applicable to **ARMFICO**.
3. This Agreement does not in any way affect the Department's disciplinary power in any future or follow-up examination of **ARMFICO**, or in any cases or complaints involving **ARMFICO**. In the event **ARMFICO** fails to comply with this Agreement or otherwise fails to comply with the laws and rules applicable to **ARMFICO**, the Department may take any administrative or legal action it is authorized to take.

4. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner of Insurance. **ARMFICO** understands that N.C. Gen. Stat. Sec. 58-35-20(a)(1) provides, among other thing, that a premium finance company's license may be revoked if it fails to comply with any demand, ruling, provision or requirement of the Commissioner lawfully made pursuant to the authority given under Chapter 58 and Article 35 thereunder of the General Statutes of North Carolina and rules applicable to licensees governed thereunder; and
5. **ARMFICO** enters into this Agreement freely and voluntarily and with knowledge of its right to have an administrative hearing on this matter. **ARMFICO** understands that it may consult with an attorney prior to entering into this Agreement.
6. This Voluntary Settlement Agreement, when finalized will be a public record and will not be treated as confidential. All permits issued by the Department to **ARMFICO** shall reflect that Regulatory Action has been taken against the licensee following the execution of this Agreement. The Department is free to disclose the contents of this Agreement to 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 all companies that have appointed the licensee.
7. This Agreement shall become effective when signed by **ARMFICO** and the Department.

**ASSOCIATED RISK MANAGERS
FINANCE CO.
Company Number: 113456**

N.C. Department of Insurance

By: 
Kelly McElmore
President

By: 
Angela Hatchell
Deputy Commissioner

Date: 9/18/18

Date: 10/25/18